

## Britain's trade deficit shrinks to £18m

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## May figures the best for this year

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Whitbread shires Mars, Mercury, and Sullivan starting their fortnight's holiday at a hop farm in Kent yesterday.

## Million votes against reselection of MPs pledged by AUEW chief

By Ian Bradley  
Mr Terence Duffy, general secretary of the Amalgamated Union of Engineering Workers, said yesterday that his union would commit its one million block votes at this year's Labour Party conference in October against the proposal to impose a mandatory reselection process on all Labour MPs before a general election.

The proposal emerged on Sunday from the Party's commission of inquiry into its organization. Speaking on BBC radio's *World at One* programme, Mr Duffy, who voted against reselection at the commission meeting, said: "I am convinced that the majority of people do not want to have a change."

Our policy-making body, the national committee, have said that they do not want to have mandatory reselection, and I believe that the recommendation of the commission will be defeated at the party conference."

Although it is generally conceded that a switch of votes by the AUEW, which voted last year in favour of mandatory reselection, will have an important effect on this year's conference vote, there is still uncertainty about the final outcome. Some smaller unions who voted against mandatory reselection last year have decided

to vote for it this year, and the left is by no means conceding defeat on the issue.

The outcome of the weekend meeting of the commission of inquiry brought mixed reaction yesterday. The left and right of the party were united in describing the compromises produced as a disaster, but there was disagreement on whether they will be accepted by the party's annual conference.

The fiercest attacks from both sides of the party were directed at the proposal for an electoral college, which the commission said should elect the leader and oversee preparation of general election manifestos.

The size of the college has yet to be worked out by a drafting committee consisting of Mr Michael Foot, the deputy leader of the party, and three trade unionists, but it has been agreed that it will be made up as follows: 50 per cent from parliamentary party representatives, 25 per cent from affiliated unions, 20 per cent from constituency parties, and 5 per cent from other affiliated bodies.

From the right of the party, Mr William Rodgers, shadow defence spokesman, described the college as "something of a disaster—a major shift away from the Parliamentary Labour Party and from voters towards the caucus, and the party activists who are very unrepresentative."

Speaking on *The World at One*, he said: "An electoral college has no place in the politics of this country. I cannot conceive of an MP accepting a leader that he has not himself had a part in choosing, and I certainly do not think the ordinary people of this country want to think that their Prime Minister is chosen by trade union leaders. They think MPs should choose who leads them and who becomes Prime Minister."

Mr Neville Sandelson, MP for Hillingdon, Hayes, and Harlington, said that it might be necessary for Labour supporters to vote for another party at the next election to ensure that the "authoritarian minority" now in control of the party did not come to power.

Equally strong condemnation came from the left. The Campaign for Labour Party Democracy described it as "a naked attempt to divert the Labour conference of its political authority and exclude radical members permanently from the control of the policy by the creation of a kind of Labour corporate state."

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## New Hebrides peace talks held in Paris

From Ian Murray  
Paris, June 16  
M. Paul Dijoud, the French minister with responsibility for overseas territories, today saw Sir Reginald Hibbert, the British Ambassador, to discuss the different attitudes of Britain and France over how peace can best be restored in the New Hebrides.

The French view is that, as in the past, there must be bilateral British and French action and that the British decision to send in 200 Royal Marine commandos, despite both verbal and written protests from France, is in contravention of this.

France also considers that the basic difficulty of giving guarantees to the minority groups can only be resolved by negotiations between the islanders and that the presence of the British force can only hinder these negotiations.

That the official letter of protest about the British troops arrived was issued by M. Jacques Robert, the French Resident Commissioner in the New Hebrides, has somewhat short-circuited normal diplomatic channels and made it difficult for M. Dijoud to be given the British reply to the protest.

It was agreed, however, that today's meeting would pave the way to a better mutual understanding of the role of the marines and make it possible for an early meeting between M. Dijoud and Mr Peter Baker, the British Foreign Office minister.

France has reacted with extreme suspicion to the British claim that the marines are simply being sent to support the 120 regular policemen in the islands, whose capacities have been sorely stretched by the revolution.

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## Display of prejudice gets juror off panel

By Marcel Baslin  
Legal Correspondent  
Perhaps United States courts are accustomed to such happenings, but for Croydon Crown Court, south London, seldom in the national limelight, it was a new experience.

Miss Christine Vale, aged 35, of Penge, south London, empanelled as a juror, stood up and told an astonished court that she was too prejudiced to serve on a jury.

She gave a number of prejudices she admitted. "I am biased against young people because they do not believe themselves as they should, and I am biased against coloured people because I live next door to a coloured family."

Her prejudices were not, however, restricted to people. "I am even biased against shops," she went on, "for allowing people to steal from them. I would be on the side of shoplifter if I had to choose, because stores make shoplifting too easy."

Judge John Graham Hall made the only possible response. "You are clearly unfit to be a juror and it would be best for you to go away."

Legal circles were, of course, thrown into immediate consternation. A senior criminal practitioner commented gloomily: "Now they will all be trying it on. It will become a competition to see who can get off jury service by admitting to the most prejudices."

More seriously, a court administrator foresaw practical difficulties if too many people tried to make similar confessions to try to avoid jury service. "A jury is supposed to be random, and that would include having people on it with prejudices."

It is not unprecedented for a potential juror to tell the court of a reason for not serving on a jury, but that would usually refer to special knowledge or preference in a particular case. The judge has discretion to exclude jurors in such cases.

Dr Michael McCann, co-author of a number of research studies on the jury system, said that he had never come across a juror telling of such a comprehensive blanket of prejudices before.

## Last Supper fresco cracked

Milan, June 16.—Leonardo da Vinci's most famous masterpiece, "The Last Supper", is threatened with irreparable damage by a large crack which opened in the plaster wall on which it is painted.

Signor Cosanza Fattori and Signor Gherardo Martelli, government artistic heritage superintendents, said the refectory of the Santa Maria delle Grazie monastery, where Leonardo completed the fresco in 1498, may have to be closed indefinitely for restoration work to be carried out.

The crack discovered yesterday, measures six feet, six inches long and almost an inch wide at one point. It stretches from the right side of the fresco near the seated figure of the apostle John.

They said emergency work would be started immediately to prevent lengthening of the crack into the rest of the fresco and that long-term restoration of the painting would take at least two years and cost up to £500,000.—UPI.

## Fish dispute threatens EEC budget pact

France and West Germany have warned Britain that without solid progress over the next month towards a solution of the EEC fisheries dispute, implementation of the British budget settlement will be delayed.

The warning came at a meeting in Luxembourg of EEC fisheries ministers called in an attempt to break the four-year-old deadlock over new rules for exploiting the Community's fish stocks and prepare the ground for agreement by the end of this year. The impetus for the meeting was given by the budget settlement, in return for which other member states extracted a promise from Britain that "parallel" progress would be made on other contentious matters, such as fish.

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Envoys to hear Israel anger

The nine ambassadors of the European Community have been summoned to separate meetings in Jerusalem over the next three days with Mr Joseph Cieschan, over, Director General of Israel's Foreign Ministry, at which the Israeli Government will formally relay its angry denunciation of last week's Venice declaration by the Community on the Middle East. The meetings seem certain to increase friction between Israel and the EEC.

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Protest over long remands

Mr Robert Kilroy-Silk, chairman of the All-Party Peasants' Group, has written to the Home Secretary calling for an urgent review of the remand system. He spoke of several men who have been held in prison on remand for over a year.

## 'Geriatric jets' to keep flying

A new Civil Aviation Authority policy will allow many aging aircraft on the British register, termed "geriatric jets", in the industry to stay in service beyond the economic life limit set by designers. Each aircraft will be subjected to ever-increasing scrutiny at its age.

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Test case ruling against police

Two judges ruled in a test case that a policeman could not give himself permission to break the law. Night-time parking on the wrong side of the road is illegal, except by permission of a uniformed officer, but an appeal by an officer on the ground that he had given himself permission was dismissed.

Law Report, page 9

Windscale mishap: Forty workers at the Windscale nuclear plant, Cumbria, were taken ill after drinking polluted water.

Leukaemia: Up to 300 leukaemia patients die each year because of a lack of treatment facilities, a report says.

West warned: Mr Heath outlines five serious deficiencies in Western policy.

## Japan may set up rival whaling group

Russia if moratorium is imposed

Japan's threequarters majority, Japan is the only member country to hunt whales for food as well as for oil.

The idea of a ban on commercial whaling was first proposed about 10 years ago by the United States, then the world's biggest whaler.

Mr Kunio Yonezawa, who will be Japan's commissioner to the IWC meeting next month, has said: "The moratorium is a valid reason" for a ban, he added.

Mr Yonezawa, of Japan's fisheries ministry, said he was "still optimistic" that the scientific committee would successfully argue against an extension of the ban. Asked in what circumstances Japan might withdraw, he said: "I am not in a position to say what my Government will do."

Mr Ken Ohkura, a director of Nippon Kyodo Hogei, the Japanese national whaling fleet, said: "As long as we believe in the conscientiousness of the United States and the United Kingdom, we will not regret joining the IWC."

Asked if Japan would otherwise pull out in favour of the new body, Mr Ohkura replied: "Recently, inside the company

and inside Japan we hear this idea more frequently."

Middle-rank whaling executives, however, were less cautious. "It is very unreasonable," said one. "If (IWC) membership is of people who know nothing about whales, we would like to form a whaling committee of whaling nations, with strict rules." Pressure would be put on the Japanese Government to withdraw should the ban be enlarged.

For the Japanese Government, the IWC is an acute embarrassment. On the one hand, it threatens a small but cherished national industry. On the other, withdrawal could lead to pressure for non-whale Japanese fishing boats to be excluded from important national fishing zones; in particular, that of the United States.

Mr Alan Thornton, a director of Greenpeace, the conservationist group, yesterday said of the threat: "This would be a total renunciation of international convention. I can only think that it is a bluff, with the IWC meeting so near, to persuade countries not to vote for a moratorium."

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## It clamps down on Libyan border

President Sadat said it would impose a curfew along its border with Libya, where the fighting has been fierce since 1977.

Mr Hassan said Colonel Gaddafi had declared that Libyan troops should train their weapons on Egypt and it was essential that the Egyptian Army take back control of the frontier zone.

Civilian police have been in

charge of border posts since martial law was lifted in Egypt on May 14. Mr Hassan said that Egypt was concerned that Colonel Gaddafi might exploit the situation.

A Bill declaring the emergency was rushed before the committee of the People's Assembly (Parliament) tonight and Mr Hassan said it was expected to take effect on Wednesday.—Reuter.

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## Afghan guerrillas appeal for 10,000 guns as Russians send in another division

From Robert Fisk  
Kabul, June 16  
The Afghan merchant was middle-aged, with a dark, slightly puffy face, a member of Kabul's indefinable middle class and a man whose commercial instincts might have favoured stability to political unrest.

But he pointed to the fact that the first peak of the Sorobi range rose through the heat above the plateau.

"Our mujahidin are just over there," he said. "They are on this side of the mountain. They are in sight of Kabul. When the Russians came, the mujahidin was in the mountains and they were what she should do and I said to her: 'Mother, you must pray to God.' But now I tell her that God's strength is with us and this is true."

A curl of smoke rose from one of the rifles as he was a burst of firing in the foothills to the east, a series of explosions which sounded at this distance as if they emanated from beneath the ground. The air pressure changed momentarily as the blast waves came bouncing across the hot plateau.

The merchant smiled at the mujahidin's personal confirmation of his grotesque, dangerous optimism, and watched with satisfaction as a Soviet helicopter scuttled above the landscape towards the hills. Perhaps the Afghans are the only people in the world who can combine such resilience with an accurate knowledge of their own vulnerability, and occasionally this curious mental state breaks into the conversation.

"You know," the man said, "Mr Carter and your Mrs Thatcher are good people. They want to stop the Olympics because of us and we thank them for this. They are kind people. But we need guns. Our mujahidin have no big weapons. The helicopters kill them easily. We have a few rockets that can shoot 850 metres but we need lots of them. There are 10,000 men in Kabul who would be mujahidin but they have no guns." The merchant opened his hands in a gesture of stubbornness and supplication.

His appeal might have been even more urgent if he had been fully aware of the increase in Soviet firepower in Kabul over the past few days. The Russians have just sent their 104th Parachute Division into Bagram, 45 miles north of the capital, and the 105th—which arrived shortly after the Soviet intervention—last December has now been broken into three

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## Why?

"Relocation. Why should you take a close look at Northampton. One good reason. We never forget of you. Attracting industry is a competitive business. As the volume of advertising, claim and counter-claim of rival locations testify, but we concentrate all our efforts on seeing the problems of relocation and the establishment of new premises from your point of view. Straight talking is perhaps why Northampton is a success."

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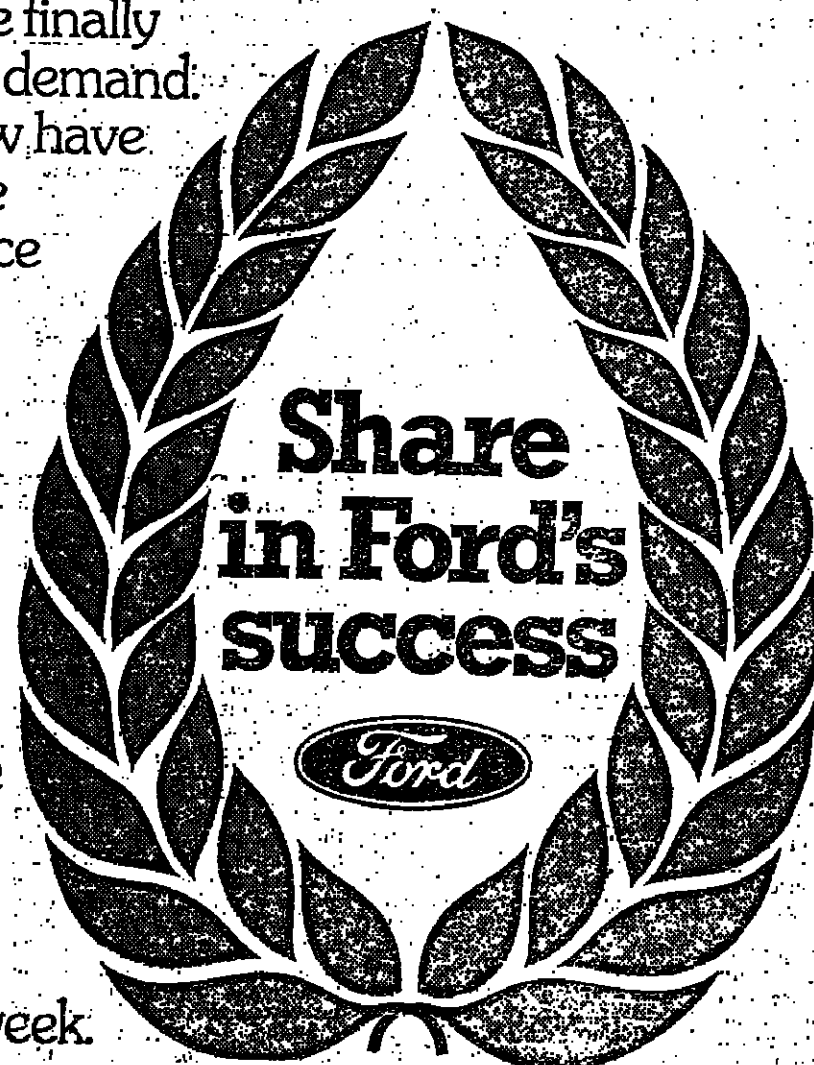
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## HOME NEWS

## New aviation policy will extend lives of the 'geriatric jets'

By Arthur Reed  
Air Correspondent

Many airlines on the British register will be allowed to stay in service beyond their originally designed economic life limits under a new policy introduced by the Civil Aviation Authority.

Explaining the policy on what are termed in the aviation industry "geriatric jets", Mr Geoffrey Chouffot, deputy chairman of the authority, told a recent conference in London on long-life aircraft structures.

"Instead of setting arbitrary limits on the life of aging aircraft, the philosophy now is to ensure that each aircraft is subject to ever increasing scrutiny as it gets older."

"In medical terms, you could say it is a change from a crude policy of euthanasia to a more sophisticated policy of preventive medicine."

The aviation authority began an investigation into aged aircraft in 1976. In May, 1977, a point was given to the deliberations when a Boeing 707 of the British airline, Dan-Air, crashed on the approach to Lusaka, Zambia, because part of the tail broke off. Six people on board were killed.

Accident investigators found that the airliner, manufactured in 1963, had made 7,200 flights with a fatigue crack in the tail. A survey of other airliners of the same type revealed 38 with similar cracks.

"Shortcomings in design assessment, certification and inspection procedures were contributory factors", the report stated.

Mr Chouffot said in his paper

to the conference that a number of the first generation of aircraft with "fail-safe" structures, where the structure is designed to take the load even after part of it has cracked through fatigue, were approaching or had passed their original "life".

"How can we satisfy ourselves that these aircraft, however outwardly robust, are not being weakened by some insidious and undetected process?" he asked.

The answer was the introduction of a structural integrity audit, under which the constructor of the airliner must survey and identify all areas of the structure where fail-safe characteristics were critical, and assess the acceptable extent, rate of growth and detectability of damage.

There was also an onus on each of the aircraft operators to feed relevant information to the constructor so that the latter could be in a good position to modify techniques where necessary.

Mr Chouffot said there had been instances, because there was ignorance about the process of fatigue, where a crack had not been found, until it had reached alarming proportions in spite of regular inspection.

Among the airliners on the British register that qualify to be included among the "geriatric jets" are Comets, of which only a few are in service and are to be withdrawn later this year, VC 10s, Trident 1s and early versions of the Boeing 707, BAC 1-11 and HS 748.

## Jubilee Hall fight political, GLC member says

By John Young  
Planning Reporter

The future of the Jubilee Hall, Covent Garden, had been inflated out of all proportion from a straight forward local planning matter into a political issue, Dr Mark Patterson, chairman of the Greater London Council Covent Garden committee, said yesterday.

He accused, openly or by implication, many of the opposition to the Covent Garden activities in Covent Garden of attempting to make political capital by arguing for the hall's retention. The Royal Fine Art Commission had "exceeded their brief" in objecting to all three possible schemes for the redevelopment.

The commission had indicated from the start that it was opposed to the schemes not on architectural or aesthetic grounds but because it wanted to get into a political debate.

He would not be deterred by the combined opposition of the Labour minority on the GLC, some dissident Conservatives Westminster and Camden coun-

cils and various national amenity societies.

The GLC would choose the winning scheme next month and would give planning permission, although there was a election matter and although the current licence for the use of the hall as a sports centre did not expire until March, 1982.

"Planning decisions should not be political. I cannot accept that just because there is an election round the corner one should change one's policies."

The Covent Garden Community Association yesterday published a report accusing the GLC of lavishing millions of pounds on the restoration of the Central Market building, which is to be officially opened on Thursday, at the expense of the rest of the neighbourhood.

The report is to be submitted to the Council of Europe in an attempt to forestall an possible award to the GLC for its work in Covent Garden, which is one of four British entries in the council's forthcoming Urban Renaissance Campaign.

## Men held on remand for a year, MP says

By Peter Evans

Home Affairs Correspondent

Several prisoners have been remanded in custody for more than a year, Mr Robert Kilroy-Silk, chairman of the All-Party Penal Affairs Group, said yesterday. He has written to Mr William Whitelaw, the Home Secretary, calling for an urgent review of the matter.

According to the Howard League for Penal Reform, about a third of the men and more than half the women remanded in custody do not receive custodial sentences at their trials.

Mr Kilroy-Silk, Labour MP for Ormskirk, said he has been given details of a man who has been in Brixton Prison for 566 days, charged with conspiring to rob and unlawful possession of an offensive weapon. Another man has been in Pentonville for 561 days charged with drug offences.

A third man has been in Ashford remand centre for 377 days, charged with two counts of robbery and one of burglary.

Mr Kilroy-Silk added that he has details of four others who have been held on remand for 269 days or more and said 900 people now held were first received into custody on remand more than 110 days ago. That could not happen in Scotland, he said.

The Home Office said on January 31 that 4,226 people were awaiting trial and 2,256 who had been convicted were waiting sentenced. Part of the board's job is overseeing prisons on behalf of the community.

Mrs Margaret Watson, a member of the Pentonville board, said yesterday that a meeting had been arranged for next Monday with Lord Belstead, Parliamentary Under-Secretary at the Home Office. She and other board members wanted to talk about the aims of the proposed association. It wanted to be independent of the Home Office.

Mr John Ward, of the Holloway board, said: "We do not feel able to fulfill our role properly by being in effect handmaidens of the Home Office."

At a recent meeting of Islington Fabian Society Mr Ward said he would like to sentence the architects of the new Holloway prison to a spell there so that they could experience the full horror of overcrowding.

Whitehall brief: Computer gave no comfort to Mr Benn or Mr Shore  
Secret Treasury report on 'planned trade'

By Peter Hennessy

The need for import controls to provide a breathing space for the regeneration of British industry has all but achieved the status of a conventional wisdom on every wing of the Labour Party. The party's next election manifesto, whoever drafts it, is likely to contain a section on planned trade, to use the latest euphemism for tariffs.

It is fair to predict that the Treasury will attempt in the first fortnight of the next Labour government to pour a cold douche on that pledge, especially if it commits the Cabinet to general rather than selective controls for an indefinite period.

What will the Treasury's report say? An idea can be gleaned from recalling the contents of one of the most sensitive documents circulating in a highly restricted circle in Whitehall in the run-up to the traumatic currency collapse of 1976, when the pound fell to a low point of \$1.55.

In the early summer Mr James Callaghan, the Prime Minister, suggested that the Treasury should examine the "alternative strategy" of import controls being proposed with persistent regularity at meetings of the Cabinet's economic strategy committee by Mr Wedgwood Benn and Mr Peter Shore.

Mr Benn believed it offered a more acceptable solution to the

country's deep-seated economic ills than public expenditure cuts, deflation and recourse to the International Monetary Fund.

A working party was set up under the chairmanship of Mr (now Sir) Lawrence Airey, a deputy secretary in the Treasury's domestic economy sector who has since become Chairman of the Board of Inland Revenue. Its work was kept a close secret.

Even the merest suggestion in May/June, 1976, that the Treasury was examining import controls would have thrown the financial markets into chaos and stimulated companies to stockpile imports against the possibility of what Mr Benn's critics called a "siege economy".

Sir Lawrence's report, about 100 pages long and classified top secret, brought little comfort to Mr Benn and Mr Shore. The Treasury, using its computer model of the British economy, predicted that general import controls would produce certain retaliation against British exports by the country's leading competitors, which could be sufficiently severe to wipe out any benefits to the balance of payments and the level of unemployment.

In addition, grave doubts were expressed whether Britain could remain in the European Economic Community. It was further suggested that public expenditure cuts would still be necessary to prevent the public



Sir Lawrence Airey: Had a trump card.

sector "crowding out" the private in the period of industrial regeneration behind tariff walls.

The Treasury's trump card was its assertion that the imposition of controls would do little to solve the country's severe liquidity difficulties in the short term. With the pound so low and international confidence so shaky, the currency would collapse and foreigners would withdraw their funds from London unless the Government froze them, an expedient acceptable only to the hard left of the Labour Party.

There were some in Whitehall

who thought the Treasury was exaggerating the level of inflation in the medium term if import controls were applied; and that Mr Denis Healey, Chancellor of the Exchequer, was overdoing his use of the crowding out theory of resources.

But the section on retaliation, the EEC and, most of all, on the certainty of a liquidity crisis with the country's reserves vanishing, convinced all but a handful of the small number of ministers and civil servants privy to this most private of debates.

The feeling in Whitehall today is that the next Labour government may return to find a degree of selective import controls already in place, introduced, in desperation by the present Cabinet on an ad hoc basis.

If Mr Callaghan had been reelected, the argument continues, he would by now probably have placed import ceilings on textiles and steel, and be contemplating the same for cars and light engineering products.

Another crucial difference between 1976 and 1984 or 1988, or whenever the next Labour Prime Minister departs No. 10, is that the position of sterling will not be the limiting factor it was four years ago. Thanks to North Sea oil, the strength of the pound is likely to be sufficient to permit a transition to a pro-realist economic strategy without a collapse of the currency and the evaporation of reserves.

The students' union strike in the 1978 when wages were 23.79 per cent. Stude increased by only 13.7 at that time.

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The union has four University College, Co students have to sh washbasins, three l one shower and two b

Two children are burnt in explosion

Two children were i tal last night with serio after a tin of explosive they found in a derelict house.

The children ignited der while playing with candles. They are 13 and 10. Lloyd, aged 13, of W Fardown, Hampshire, a ette Keys, aged 12, of field, East Oakley, Har

Natasha Smith, aged East Oakley, who w them, escaped injury w the explosion. The explosion in Parnham Lane, E ley. The explosion a fire, which was put out men.

Puncture sealants can be dangerous, AA claims

By Peter Waymark  
Motoring Correspondent

The sealants sold to motorists for making instant repairs to punctured tyres can be dangerously unreliable, according to a report by the Automobile Association.

AA engineers tested six leading makes of sealant. They found that the sealants were shown that even if the tyre had only a simple puncture they cannot be relied on and may make the vehicle dangerous to drive.

Sealants are of two main types. Some are injected into a sound tyre and act as a seal if a puncture occurs or both seal the hole and inflate the tyre when it has a puncture.

The tyres in the AA tests were deliberately punctured and the performance of the

## Polytech rent strik may be settled so

By Lucy Hodges

Students at the P of Central London h on continuous rent nearly two years, it was yesterday.

The polytechnic in Street is owed £120,000 in rent. It is asking a student union bank management and str out their differences.

That may happen because an independent sor appointed six me will be reporting his most likely sugge compromise.

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## Parole query on man in jail 23 years

From Ronald Kershaw  
Leeds

Former male nurse sentenced to life imprisonment for murdering his second wife at Bradford is still in prison after 23 years and has had his latest application for parole rejected.

This has prompted Mr Kenneth Woolmer, Labour MP for Barley and Molesey, to ask Mr William Whitelaw, the Home Secretary, if he has any plans to review the Parole Board procedure to give detainees the right of access to evidence under consideration by the board and the right to be legally represented when a parole case is being reviewed.

Mr Woolmer's move comes after representations by two constituents asking him to look into the case of Mr Kenneth Barlow, who was convicted of murdering his wife at their home in Thornbury Crescent, Bradford, in 1957 by injecting her with insulin.

Mr Barlow pleaded not guilty to murder and still protests his innocence. In a letter to friends four years ago he wrote: "I fully accept the responsibility for Elizabeth's death, but it was not murder. It was a tragic accident."

Mr Woolmer has looked into

Mr Barlow's case for parole at the request of Mr Barlow's friend, Mr Frederick Stanciliff, a part-time driver of Stanley Terrace, Park Road, Batley, Mr Stanciliff and his wife have been campaigning for Mr Barlow's release on parole for more than 15 years.

Mr Barlow's case for parole was reviewed by a local review committee at the prison last September. It was examined by the Home Office before being passed to the Parole Board and rejected in March.

Before the decision Lord Harris of Greenwich, chairman of the Parole Board, wrote to Mr Woolmer last November: "I am afraid it is not the practice for the Parole Board to give reasons for refusing to recommend the release of a prisoner."

Later, in a letter to the Home Office, Mr Woolmer raised the question of the possibility of access by an independent representative to evidence under consideration by the Parole Board.

In January, Mr Leon Brittan, Minister of State at the Home Office, wrote to Mr Woolmer: "The papers which are considered when the case of a prisoner is reviewed by the Parole Board are those which are available to the Parole Board."

Mr Woolmer has looked into

clude all the reports by medical and my staff at the prisons in Leeds. It has been the case since he was first taken into custody, and sometimes reports prepared especially for the review.

"These reports are confidential and I do not think it would be right to make them available to anyone other than the review of the prisoner's case."

Mr Woolmer said last night that the important thing was the question of parole and how it was decided, and the fact that a man had served 23 years in prison. It was not the question of guilt or innocence.

Some members of the National Association of Theatrical, Television and Kine Employees have stopped voluntary overtime work in an attempt to secure a pay settlement. The union does not regard itself as in dispute with the Royal Opera House; it was "a withdrawal of good will".

The effect of the ban has been to cause the loss of technical rehearsals, and so Covent Garden decided to simplify the production. Not everyone may consider the scenery a great loss; it attracted unfavourable comment when the production was first seen last year.

They include: "Ferryman, Monks and Shipbuilders to the World"; "Ferry across the Mersey"; "Slavers, Clipper Ships and Ocean Greyhounds" and "The Master Mariners' Tour".

Mr Ronald Jones, the county council tourism development officer, sees 1980 as a particularly good year in which to launch such projects because the 150th anniversary of the opening of the Liverpool-Manchester Railway is already attracting thousands of industrial archaeology enthusiasts, particularly those interested in the history of travel to the north-west of England. Everyone concerned is rejoicing in having some good news to tell from Merseyside.

The long-term dream envisaged a museum hall large enough to present such phases of Merseyside history as the great days of the Cunarders and other "Atlantic Greyhounds", as well as that slave trade period.

The idea of Merseyside becoming a tourist centre is by no means the joke it might seem. A team of trained guides is in action offering 24 escorted walks to visitors.

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## Men clearing spruce felled last month to widen a firebreak during the fires in Gwydir Forest, North Wales. New trees will be planted

Men clearing spruce felled last month to widen a firebreak during the fires in Gwydir Forest, North Wales. New trees will be planted

## Opera without scenery as staff ban overtime

By Our Music Reporter

The Covent Garden production of Wagner's opera, Parsifal, was presented last night without scenery because of a ban on voluntary overtime work by some members of the staff, including stage hands. Black drapes were used instead.

Some members of the National Association of Theatrical, Television and Kine Employees have stopped voluntary overtime work in an attempt to secure a pay settlement. The union does not regard itself as in dispute with the Royal Opera House; it was "a withdrawal of good will".

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## Leukaemia victims die for lack of facilities

By Annabel Ferriman  
Health Services Correspondent

Up to 300 patients are dying each year because of a shortage of facilities for bone marrow transfusions, according to a report published today.

The demand for transfusions where a suitable matched donor is available is about 300 to 400 a year, but centres at such hospitals as the Royal Marsden, Westminster, Hammersmith and Royal Free together can perform only about 50 a year, it is claimed.

The report, published by the Office of Health Economics, analyses the difficulties involved in the treatment of leukaemia and says that bone marrow transfusions used for the treatment of leukaemia are expensive, leading some administrators to discourage clinicians from doing them.

The cost of the operation in the National Health Service is about £6,000 in addition to the £5,000 to £10,000 needed to bring each leukaemia patient into the remission stage, which is a prerequisite for transfusion.

Bone marrow transfusions are given because the radiation and chemotherapy treatment for leukaemia destroys the patient's bone marrow, which is necessary for the production of blood

cells. A donor with matching bone marrow tissue has to be found and the recipient would reject the transfused marrow.

The report predicts that the demand for transfusion is likely to increase because the drugs that suppress rejection are improving. A successful transfusion could soon provide an indefinite survival rate of between 60 and 70 per cent of those treated.

The high cost of transfusions was likely to raise difficulties for the health service similar to those posed by the high cost of kidney machines and kidney transplants. A shortage of finance led to wide regional variations in treatment.

Great steps forward had been taken through the 1970s in treating childhood leukaemia by chemotherapy. Deaths had dropped by about a third from 400 to 250 a year.

Yet about 3,000 adults lost their lives each year. "It is among the 1,000 or so younger adults who die each year that breakthroughs are most needed," the report says.

The cost of dental therapy was high, amounting for about £3m of a total cost of £15m for treating leukaemia.

Leukaemia - towards control  
Office of Health Economics, 162 Regent Street, London, W1R 6DD, 60p.

## Merseyside dream will come true next month

The people of Merseyside, who have not had much to cheer about lately, are looking forward to the realization of a dream next month with the opening on July 18 of the first phase of a national maritime museum in Liverpool South Docks.

This first phase is on a relatively modest scale. Financed through Merseyside County Council and costing about £500,000, it will be based on the Old Pilgrage Building on Mann Island near the Pier Head, regarded by most Scousers as the true heart of the port, if not of the world.

One of the Canning graving docks will be flooded again after years of sad disuse, and famous little ships, including Lively Lady, in which Sir Alec Rose sailed round the world, will be moored in it. Other small craft and much material redolent of the Mersey's past maritime glories (although that may not be the right word to apply to the slave trade upon which its fortunes were really founded) will be on display in the open or under cover in a boat hall.

Lively Lady is on her way round the British coastline to

## Regional report

## John Chartres

## Liverpool

publicize the event and she is commanded by Captain Robert Campbell, a teacher in navigation at the Liverpool Riverside College, alma mater to many serving Merchant Navy officers.

Perhaps the most encouraging sight on the opening day, however, will be the river off Pier Head full of ships again, many of them tall sailing ships. Almost the whole of the Ocean Youth Club's fleet, consisting of six of their 72-foot ketches, the new Nicholson 55 ocean racer, which is about to go into service in Northern Ireland, and the club's original much loved gaff yawl, Duetto, will be on parade, having earlier sailed around Anglesey and through the Menai Strait.

They will be crewed by 90 young people from all parts of the United Kingdom and from

all walks of life. The Ocean Youth Club offers sea experience to any child or any youth or girl with a desire for adventure and a little hard living. By the time this group arrive in the Mersey they will have experienced most of the nautical difficulties encountered by sailors around the British coasts, including passing under the Menai Strait bridges with about 20 feet to spare over the mastsheads, and negotiating the infamous whirlpool-riddled Swellies which lies in between.

Phase one of the maritime museum project is seen only as a pilot scheme and a small part of the long-term dream of Merseyside becoming an international magnet for those interested in the history of shipping. A second phase, which will cost about £1.5m, has reached a fairly advanced stage of planning, but it will have to be sited into other commercial developments proposed for the whole of the dock area, which has lain mainly idle and has become an eyesore since most shipping was concentrated in the new container docks and grain terminal farther down river.

The long-term dream envisaged a museum hall large enough to present such phases of Merseyside history as the great days of the Cunarders and other "Atlantic Greyhounds", as well as that slave trade period.





Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé. Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline

the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been

mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost).

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

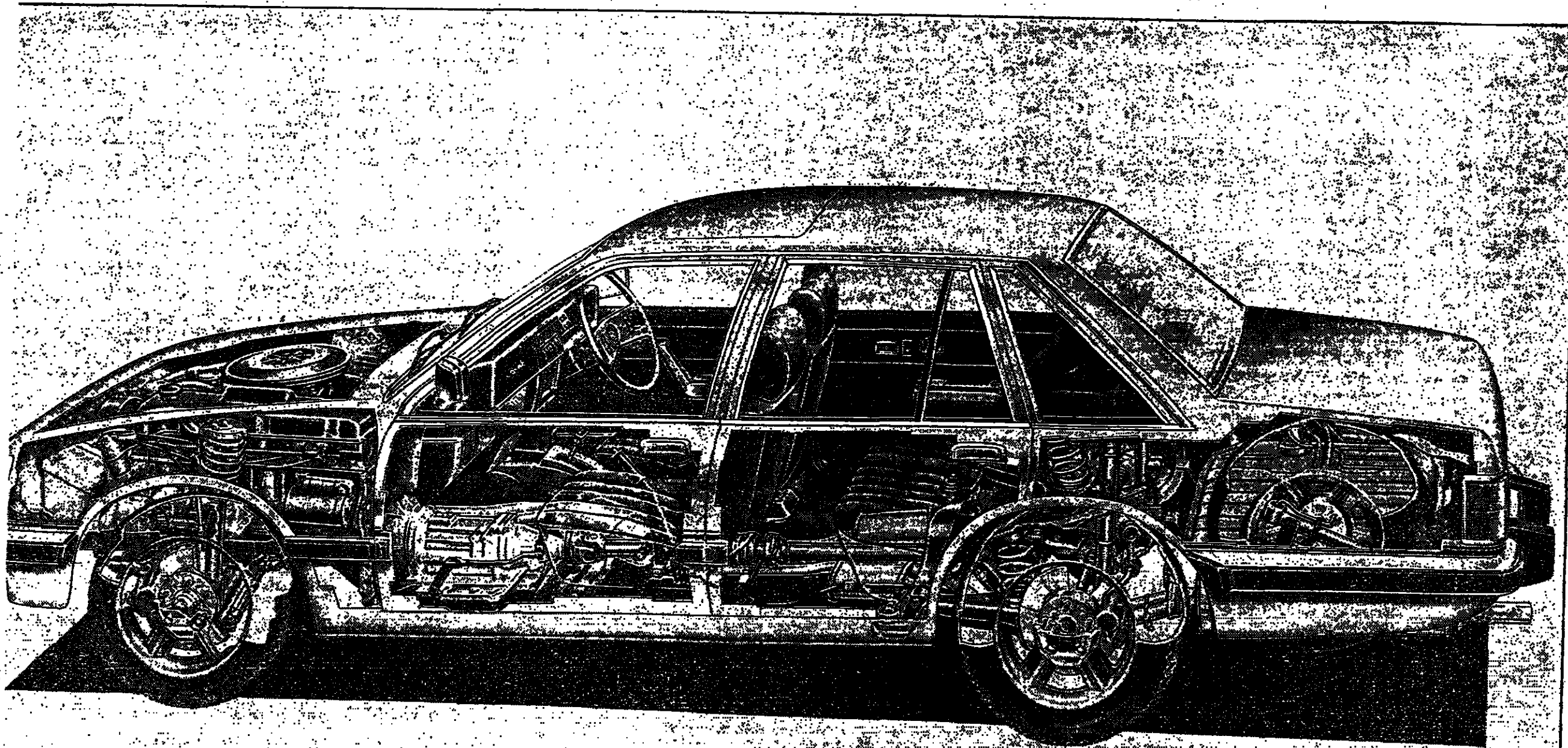
As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

## Luxury is built in, not bolted on.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £857. SALOON £10,524, COUPÉ £11,094. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.



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**ROYALE**







development  
world advance  
richer countries

NEWS



water lunch: Mrs Dorothy Graham, aged 79, outside the office of Health and Social Security offices at the Elephant and London, yesterday. She was taking part in a campaign against social security.

## are state in danger of muddle misdirection, academics say

Correspondent defined by the development state in danger of misdirection and muddle because of purpose, but the failure has been the scope of means-tested help has not been reduced as Beveridge hoped it would be.

It was only realistic, given the high cost of providing insurance benefits above the means-tested level, to conclude that means-tested benefits would continue to be an important part of welfare services. The continued use of selectivity was desirable and the practical how it could be made as efficient as possible.

Sir Charles Carter, chairman of the research and management committee of the Policy Studies Institute and former Vice-Chancellor of Lancaster University, argues that the task of reforming the social security system requires "the qualities of a successor to Beveridge."

Present discussion, as with other areas of the big spending state, is characterized by vagueness. The broad shape of the social security system could be justified as a reasonable compromise between extremes, but the detailed provisions needed to be recast in a tidier and more consistent form.

"The principle that people who need help should get it is obscured by residual effects of an insurance principle which no longer has much reality. The relationship of social security to the tax system needs re-examination and the incentive for self-help may, on one view, need to be made more evident."

The health service was in reality a "sickness service" and should be committed to the maintenance of health. Education suffered from a lack of clear principle about the limits of state provision, and housing policy suffered from anomalies created by past intervention in the name of welfare.

Discussing the *Welfare State*, by Charles Carter and Thomas Wilson (Policy Studies Institute, £2.75).

## rs could ers, says RUC men get life sentence for revenge murder

Two RUC police officers, Sergeant John Weir, aged 29, and Constable William John McCaughy, aged 23, were yesterday sentenced at Belfast Crown Court to life imprisonment for the revenge murder of Mr William Strathairn, aged 39, a grocer.

The Lord Chief Justice, Sir Robert Lowry, told Sergeant Weir that he had tarnished the reputation of the police, and told Constable McCaughy, four times commended for bravery, "Your reaction, though understandable, was naturally inexcusable."

Sergeant Weir told police that Constable McCaughy got the idea of killing Mr Strathairn in revenge for the murder of policeman in the area.

In an alleged statement read out in court, Sergeant Weir said that Constable McCaughy suggested that they went to Aboghill to "do a man", and asked him to go to Lurgan to meet a friend who would help them. Sergeant Weir had previously challenged that statement, saying it was produced as a result of ill treatment. But it was admitted in evidence last month by the judge.

Sergeant Weir said they went to Lurgan where he knew he was suspected of being a top man in the Ulster Volunteer Force.

Constable McCaughy suggested to Mr Jackson that somebody should be "done" for the shooting of policeman. He had claimed that Mr Strathairn had "kept some stuff for the IRA".

Sergeant Weir said that Constable McCaughy asked Mr Jackson if it would be all right to use a "clean" 45 he had, and it was agreed that Constable McCaughy would bring the gun to a rendezvous.

Mr Strathairn was shot on April 19 three years ago.

The judge said: "This is a case of which the major offence was the murder of Mr Strathairn, against whom I think it should be repeated the evidence indicated there was absolutely nothing whatsoever; and that made it all the more shocking and all the more tragic that he was singled out as the victim in an act which was really an act of retribution or revenge because of other murders."

Constable McCaughy's father, Mr Alexander McCaughy, aged 60, was given a one-year suspended sentence on charges of possession of the murder weapon and of withholding information. Both officers were also given 10-year concurrent sentences for possessing firearms, and Constable McCaughy

## ea to consider state of the economy in pay bargaining and expelled for criticism of big claims

Murphy, who lately in people de unions unless themselves unable to shop steward his own union, expelled by his the National and many officers allegedly bring into disrepute rave disservice."

aged 38, head Metropolitan and public rent, whose salary appeal against trustee's decision, votes to two. He it is intolerant the union to her because he us which differ view.

a comes after a e to the press had received a y rise in a year, on a 14 per cent July his salary reased by 42 per rs.

has been a delea-tional conference n departmental n five years at cil. Despite his con-tinues the views on the as to take into state of the economy when they make pay claim.

His belief in individualism, bred in a working-class upbringing in Silvertown, east London, where his father was a member of the Transport and General Workers' Union, made Mr Murphy, a law graduate, take the unionist step for a local government officer of publicizing his views.

"Everyone must take individual responsibility and think through their own actions. Collectivism is simply the result of combined individualism but unfortunately for too long people have felt that it absolved them from individual responsibility. It is always the Government, the unions or some other authority who is responsible, but never the individual. People must be honest with themselves," he says, and ask whether the pay they receive is justified.

When his union's settlement was reached people were euphoric; but he had asked who was going to pay. That problem, he added, was of particular importance to public servants because in the end they had to rely on industry making profits.

"My pay rise, because I could see no expansion in productivity, was going to come out of a rate increase or by the reduction of jobs in the public sector. Is that what the union negotiators wanted?"

"If the union continued pressing for higher pay awards then it would have to live with the consequences of its action. Without increased productivity they would destroy the service that they profess to be so keen to protect and expand."

The public services could provide important facilities, although it was symptomatic of the abdication of individual responsibility that many people now thought it was easier to get somebody else to do it for them, whether looking after elderly parents or young children.

People should belong to trade unions unless they had a fundamental objection. "But if unions are not free and democratic then society cannot be either. I do not have a fundamental disagreement with my union, but I do disagree with their policy on pay and I am prepared to stand up and say it."

He denied that he had brought the union into disrepute. He said that at the "quasi-legal court" which expelled him the allegations were only what people thought, rather than facts. "I only exercised my democratic rights to express my opposition to the pay settlement negotiated on my behalf as it applied to me. I was brought up to understand that trade unions were there to protect individuals but that does not seem to be happening in my case."

Many people in unions were honest and good. But they tended to be overshadowed by the charlatans, the union bureaucrats and the people for whom trade unionism was a religion, he said.

"Often union actions appear to be a twentieth century version of the Inquisition. It was sometimes difficult to tell the difference between the politically motivated decision and the genuine objective of protecting members."

Many unions had failed to adapt to changing circumstances. It was no wonder many people were alienated from them when they watched them being manipulated for political purposes.

Our Labour Staff writes: Union officials believe that Mr Murphy's action was politically inspired and maintain that there was overwhelming support for his expulsion.

Mr Ernest Baxendale, the union's district organization officer for the North West and north Wales said: "Mr Murphy questioned Nalgo's integrity to an extent, questioned the validity of the comparability award and made statements which were calculated to have an effect on public reaction in a very delicate area of the economy."

Mr Murphy has 21 days from receipt of his expulsion notice to lodge an appeal.

## Little saving seen in Civil Service grade cut

By Peter Hennessy

A plan to abolish the third highest rank in the Civil Service, under discussion in Whitehall, could prove "an arid academic exercise" with virtually no savings to the Exchequer, it is claimed in a draft document circulating privately inside the Association of First Division Civil Servants (FDA).

The Civil Service Department is working on plans to shorten the Whitehall hierarchy at the suggestion of Sir Derek Rayner, joint managing director of Marks and Spencer and the Prime Minister's adviser on the elimination of waste. Abolition of the rank of under-secretary is the possibility.

The FDA paper, entitled "The future of the under-secretary grade", was written by Mr Lawrence Brandes, an under-secretary who is head of the Office of Arts and Libraries.

Mr Brandes suggests that the policy making and coordination functions undertaken by under-secretaries would have to be redistributed upwards to deputy secretaries and downwards to assistant secretaries. Thus there would be little in the way of economies.

Mr Brandes divides the work of under-secretaries in three: 1. Supervision. Could submissions from principals and assistant secretaries proceed to ministers unaltered; he asks.

Mr Brandes believes "a less refined product" is possible provided ministers and permanent secretaries accept that assistant secretaries would need more independence. In this would be the grade at which the "back stops" of deputy secretaries were expected to assume the supervisory role of defence under-secretaries. "Their lives would become impossible" and more of them would have to be recruited.

2. Coordination. "It is easy to write off coordination as a piece of jargon giving rise to unproductive time pressure. But it is remembered that an almost judicial consistency of approach, in which each decision is taken and each principle applied, is a cornerstone of our constitutional practice."

Thus a Civil Service consisting of some 1,000 quasi-autonomous assistant secretaries, each of which would be a ministerial plan based on his own appreciation of strategy and tactics, is altogether unthinkable.

Direction. An under-secretary, Mr Brandes continues, is a trouble-shooter and, occasionally, as a peacekeeper in disputes. He is also a senior manager. Few of these duties are avoidable.

Mr Brandes concludes that if ministers accepted that changes in working practices were necessary, the FDA should be prepared to discuss a reduction from five to four grades and the number of grades at the summit of the administrative hierarchy of the service.

The five senior grades of the administrative Civil Service and their strength on April 1, 1980, are:

|                     |       |
|---------------------|-------|
| Permanent secretary | 39    |
| Deputy secretary    | 156   |
| Under-secretary     | 595   |
| Assistant secretary | 1,150 |
| Principal           | 4,662 |

## 23 hostages in doctor's waiting room

From Sue Moxterman

Vienna, June 16

A Yugoslav labourer, who was dismissed by his Austrian employer earlier this month, was holding 23 people, including three children, hostage in the waiting room of a medical specialist in the centre of Graz tonight, Josef Kis Lukac, armed with a double-barrelled shotgun, burst into the waiting room at noon today.

Yugoslav workers who become unemployed face almost instant expulsion under Austrian law and fear of expulsion is believed to be Mr Lukac's motive for taking the hostages.

Mr Lukac, one of more than 100,000 Yugoslav workers in Austria, first demanded to talk to foreign correspondents speaking a Yugoslav language, Italian, Russian or Hungarian. He spoke in all three. He then changed his demands and asked to speak with specific leading members of the Socialist, Christian Democratic and Liberal parties.

Tonight Alexander Gotsche, burgomaster of Graz who is also chairman of the Austrian Liberal Party, met the police near the surgery. Mr Lukac had offered to free the three young children if certain conditions were met.

## Seven will fight by-election in Glasgow Central

From Ronald Faux

Glasgow

Seven candidates had entered papers for the Glasgow Central by-election on June 26 when nominations closed yesterday.

They are: Donald Anthony Keen, Social Democratic Party; Anna Anderson McCurley, Conservative and Unionist; John MacKenzie, National Front; Robert McTaggart, Labour; David George Mellor, Ecology Party; Gill Paterson, Scottish National Party; and Graham Watson, Scottish Young Liberal.

The by-election was caused by the death of Mr Thomas McMillan.

General election 1979: (Cons) 10,000; (SNP) 1,300; Labour majority 8,700.

## Seven will fight by-election in Glasgow Central

From Patricia Clough

Bonn, June 16

Yet another application for asylum falls on the desk. The reason given: political persecution at home.

The West German immigration official looks up sceptically at the Turk standing before him. In about 90 per cent of cases the man is lying, said the German official.

Probably the dark-haired man knows that the German official does not believe him, but he knows that this does not matter. He has a passport and he goes to another official who will give him tokens entitling him to a hotel room or other accommodation at the local authority's expense and pocket money to tide him over the next few weeks.

Even more important he knows that he can look for, and will probably soon find a job in West Germany's rich and labour-hungry industry.

He is also aware that by the time the West German authorities have decided, after investigations, appeals and further appeals, that he has no right to asylum, something like six years will have passed.

Amper, a Turkish newspaper put it "for a worker to put his finances in order."

And even then, for the authorities to remove him from the country where he has put down roots, his friends and probably produced children, is a long and far from easy matter.

Seven years ago just over 5,000 people, mostly East Euro-

## EEC partners warn Britain that budget gains could be delayed if fisheries dispute is not resolved

From Michael Hornsby

Brussels, June 16

Britain was warned here today by France and West Germany that without solid progress over the next month towards a solution of the EEC fisheries dispute, the implementation of the budget settlement could be delayed.

The warning came at a meeting of EEC fisheries ministers called here in an attempt to break the four-year-old deadlock over new rules for exploiting the Community's fish stocks and prepare the ground for agreement by the end of this year.

The impetus for the meeting was given by the budget settlement, in return for which other member states extracted a promise from Britain that "parallel" progress would be made on other contentious matters, such as fish.

Although in general vaguely worded, the declaration of intent on fisheries endorsed by Britain at the time of the EEC budget settlement states "the decisions necessary to ensure that a common overall fisheries policy is put into effect at the latest on January 1, 1981."

Speaking after the meeting, Mr Joël Le Theule, the French Fisheries Minister, said that if the key issue of sharing out fish catches had not been resolved by July 21, when the next meeting is to be held, France might delay the legislation required to implement Britain's budget refunds.

Herr Hans-Jürgen Kohr, the German State Secretary for Agriculture, also emphasized the link between the budget deal and fish, though in less specific terms than his French colleague. Both men appeared to have spoken more strongly into the meeting than during it.

For his part, Mr Peter Walker, the Agriculture Minister, dismissed as "absurd" suggestions that Britain's budget repayments could be made on preferential fishing rights in its sector of the Community's 200-mile "pond."

He told his EEC colleagues that while he wanted an early agreement, he had no intention of abandoning Britain's basic demand for preferential fishing rights in its sector of the Community's 200-mile "pond."

The British position has not changed in its essentials in the last four years. It is that British fishermen should have exclusive access to stocks within 12 miles of their coast, and a dominant share of fish caught between 12 and 50 miles.

These demands are justified, he argued, because British waters contain 60 per cent of the total EEC fish stock, and that British fishermen are dependent on this catch to offset the loss of fishing outside the Community's 200-mile zone.

Under current rules EEC fishermen are in principle entitled to fish anywhere within the Community's zone. Britain is protected for the time being against the full rigour of this policy by transitional arrangements negotiated at the time of entry. But these expire at the end of 1982.

Mr Walker and his colleagues did little more today than circle widely round the central problem of how to share out fish catches. They have already agreed in broad terms on the total level of catch permissible for each species. They will meet again in July.

In related discussions Mr Walker, backed by the Danes, the Dutch and the Irish, opposed proposals to allow more Canadian fish to be sold on EEC markets in return for improved access — chiefly for West German trawlers — to Canada's fishing grounds.

Mr Walker said that the deal being offered the Canadians would let in an extra 8,000 tonnes of cod fillets, most of which would be sold on the already depressed British market. This was a much bigger concession than the Canadians were offering in return.

Canada's fish war with the United States, page 9.

## Paris looks beyond the Nine for allies

From Ian Murray

Paris, June 16

A descendant of one of Napoleon's most illustrious, but ultimately disloyal, generals was chosen to head the mission to France today by President Giscard d'Estaing, King Carl Gustaf of Sweden, whose ancestor Jean-Baptiste Bernadotte founded the present Swedish royal house, is the third head of a Scandinavian state to hold talks with French leaders in the past month.

Mr Raymond Barre, the Prime Minister, paid a three-day visit to Norway at the end of May and President Giscard d'Estaing visited Finland at the beginning of this month. The three meetings underline the trend in France to forge closer links with European countries other than its EEC partners.

Sweden's ability to maintain its independent neutrality is particularly interesting to France. An interview in *Le Monde* today with Mr Ole Ulsten, the Swedish Foreign Minister, is the main story in the paper under the headline, "European states must adopt a more independent manner."

The theme of discreet but determined independence was the keynote of the main speech that President Giscard d'Estaing made on his visit to Finland when he spoke at the two coun-

## Paris looks beyond the Nine for allies

tries need "to preserve their identity, to guarantee their security, in short, to remain true to themselves."

It is in this context that King Carl Gustaf has been invited to make an official visit to France, the first by a Swedish king since 1953.

In addition to the aim of forming an alliance of independent neutral states, France will also be seeking to make the most of the three-day visit and try to do something to redress the unfavourable trade balance which it has with Sweden. The deficit is mainly due to large French imports of wood and pulp.

One subject certain to be raised is that of French nuclear technology, now that Sweden has voted in a referendum to accept atomic power by a majority of 58 per cent.

In turn, Sweden has some of the most important uranium deposits in Europe, and that is of great interest to France.

President Giscard d'Estaing is also holding a meeting with Mr Ulsten, who last month visited Moscow and saw Mr Kosygin, the Soviet Prime Minister, and Mr Gromyko, the Foreign Minister.

The Swedish King's visit to France ends on Wednesday with a visit to Pau, the birthplace of Jean-Baptiste Bernadotte.

## Asians use Bonn's asylum laws to bypass immigration restrictions

From Patricia Clough

Bonn, June 16

peans asked for political asylum in West Germany. By the end of this year, it is estimated, well over 100,000 people, about two-thirds of them Turks, will have applied. And they will be found to be genuine political refugees.

For thousands of impoverished people in Turkey, Pakistan, India and Bangladesh, wealthy West Germany with its high wages and superb social welfare system has streets almost literally paved with gold and helped by racketeers and unscrupulous German lawyers they have found a loophole to get in.

Word has spread that they can get around the severe restrictions on immigration workers by a simple trick—point to the Constitution.

In a reaction against Nazi oppression, the Constitution's fathers, many of whom had known persecution and exile themselves, gave the country one of the most liberal asylum laws in the world. Anyone who is genuinely persecuted is allowed in, no matter who he is. And he may work or be supported by the state until his case is decided. He or in many cases she—has also ample right to appeal.

Seriously alarmed, the Bonn Government is urgently seeking ways to stem this rapidly increasing flood of refugees, an outbreak of racial resentment which could turn immigration into an unpleasant issue in the forthcoming elections and also affect the four million foreign workers already living legally here.

The Land governments are protesting at the huge burden on their social services. Although industry can employ all those claiming asylum, and more besides, the Government does not want West Germany to become a country of immigrants.

The problem is how to keep away the fake applicants without denying asylum to real political refugees. While a Bavarian Christian Social politician has demanded they be housed in fenced-in huts with guards, the Social Democrat-Free Democrat Government in Bonn is anxious that the law should not lose its liberality.

It is working on urgent measures expected to be completed next week, to speed up the application process while making it more difficult for the would-be immigrant actually to enter the country.

It is thinking of obliging visitors from the countries concerned to apply for visas before leaving for West Germany. It will probably deny applicants the right to work while waiting for a decision, even though this would increase the burden on the welfare authorities.

Herr Gerhart Baum, the Interior Minister, has rejected the idea of housing the applicants in camps. Not only would they foster social explosive conditions: the very thought of camps appearing again on German soil is enough to make any German liberal shudder.

## Ecologists choose presidential candidate

From Charles Hergrove

Paris, June 16

Conservationists have chosen M. Brice Lalonde, founder of the oldest and largest French ecological movement, *Réseau des Amis de la Terre* (RAT), as France's ecologists' candidate for the 1981 French presidential election.

In hotly-contested "primaries" he won by a short head over his main rival, M. Philippe Lebreton, founder and leader of the MEP, *Mouvement Ecologie Politique*.

The Paris vote, where RAT is strongly represented, tipped the scales. There were nine candidates, but fewer than 2,000 voters balloted.

The many-sided, individualistic French ecological movement, which has so far defied attempts at organizational streamlining, is regarded by established French political forces as something of a will-o'-the-wisp. The ecologists' candidature in the presidential elections is, in their view, at best a quixotic venture.

But they take seriously the threat that the "greens" can distract a substantial number of votes from the Government majority, and even more from the left-wing opposition.

After all, President Giscard d'Estaing won only 400,000 votes in 1974; and in the parliamentary elections of 1978, the ecologists polled 600,000. They are therefore a negative force to be reckoned with and their successes in Germany are uppermost in the mind of every French campaign organizer.

The primaries were the first attempt by French ecologists at unity of action. They were the result of a compromise achieved with some difficulty at their national congress in Lyons last May, which failed to name a candidate for 1981.

The three main movements were competing this week. The MEP was set up a few months ago. Among other things, it stands for a reaction of the provinces against the "Parisism" of RAT.

The third contender was the "unorganized" group led by M. Didier Anger, made up of individuals, who reject a national organization of ecology.

There are two dark horses, one of whom is M. Claude de la SOS, founder of the splinter SOS Environment group, who last March declared himself a candidate and would have nothing to do with this week's elections.

The other is Captain Jacques-Yves Cousteau, the ocean-

## Bitterness of Algerian war lingers in France

From Our Own Correspondent

Paris, June 16

A defamation case opened today which threatens to damage even further the relations between the French Socialist and Communist parties and all because of incidents which happened—or did not happen—in Algeria more than 25 years ago.

Whatever the facts may have been, it shows that the Algerian war is still a subject which can be politically damaging and can arouse the strongest passions.

The case, which is being heard in Belfort, arises out of an article in a Communist Belfort newspaper which quoted the local party secretary, M. Jean-Marie Martin, as criticizing M. François Mitterrand, the Socialist Party leader, M. Edmond Maire, the Socialist trade union leader, and M. André Henry, the teachers' union leader.

The three Socialists, M. Martin said, "make fun of us when they give us lessons in democracy. Do they believe that we have forgotten that they pacified Algeria with flame throwers, that they tortured the freedom fighters, that they seized the press which bore witness to that, scarcely a few years ago?"

The article appeared five months ago, but when the case opened at 8.30 this morning, M. Maire was obviously still very angry.

M. Maire had been accused of having pacified Algeria with flame throwers, he said. "To the accusations, I will reply with the facts. Having done my military service in 1951-52 before the Algerian war, I was absent from that country throughout the war."

M. Martin admitted that he had done the research for the interview "a bit rapidly" but argued that all he was seeking to do was to show up the double standards of the Socialist Party. He had nothing against M. Maire's union, even though M. Maire had claimed that the attack had been made because his organization was beginning to worry the Communists.

M. Martin, who is supported by 22 witnesses, will try to show that leading Socialists, such as M. Maire (with 12 witnesses) fought against the Algerian independence movement, while the Communists, such as M. Maire (with 12 witnesses) fought against the Algerian independence movement.

At Toulon over the weekend a bizarre ceremony took place, which also showed how strong the passions still aroused by the Algerian war. Three thousand people watched the unveiling of a pile of rubble which was meant to be a monument to the martyrs of French Algeria.

The monument was two stone columns and on one of them a bas relief showing a disconsolate Roger Degueldre, his uniform, riddled with bullets, his head bowed in grief. Roger Degueldre was the founder of the Delta commandos of the OAS, which fought with brutal determination to keep Algeria French. A week before the statue was due to be unveiled, it was blown up and will now have to be replaced.

## Saudi Arabian king begins W German visit

Bonn, June 16.—King Khalid of Saudi Arabia, on his first state visit to Bonn, today began four days of talks with West German leaders which are expected to focus on the Middle East, oil supplies and recycling Arab oil wealth.

The King's opening discussions were with President Karl Carstens, his official host, who drove with him from the airport to a ceremonial welcome at the Villa Hammerschmidt, the presidential residence.

The two men held brief talks before a working lunch attended by a German cabinet minister, including the Ministers of Defence, Foreign Affairs, Finance and Industry.

There will be keen West German interest in the Saudi response to last week's EEC declaration on the Middle East, which said the Palestine Liberation Organization should be involved in peace talks.

The King's visit has given Herr Schmidt an opportunity to sound out Saudi views on Middle East peace prospects before he and other West European leaders make President Carter at the western summit starting in Venice on Sunday.

No statement by the Saudis is expected before Thursday when Prince Saud Al-Faisal, the Foreign Minister, is due to address a press conference.

West Germany is thought to have been concerned by recent reports that Saudi Arabia was under pressure from some other exporting countries to reduce oil production.—Reuter.

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## OVERSEAS

## Speech by Mr Begin puts strain on Israel-EEC relations

From Christopher Walker  
Jerusalem, June 16

Diplomatic friction between Israel and the EEC is likely to be increased this week during a series of exchanges due to take place between the ambassadors of the nine Community countries and Mr Joseph Clichanover, the influential director-general of Israel's Foreign Ministry.

I understand that the nine envoys have been summoned to separate meetings in Jerusalem in the next three days. The Israeli Government will formally relay its bitterly-worded condemnation of last week's Venice declaration calling for the involvement of the Palestine Liberation Organization in the Middle East negotiations.

Diplomatic relations between Israel and Europe are under their greatest strain since the EEC was formed. Some European governments are known to have been greatly offended by a recent speech in which Mr Menachem Begin, the Israeli Prime Minister, implied that all European countries, with the exception of Denmark, had collaborated to some extent with the Nazis in the persecution of Jews.

An indication of the likely tone of the meetings was given by the disclosure in the Hebrew paper *Haaretz* that Mr Begin told his Cabinet yesterday: "We must launch a comprehensive political and information campaign in order to expose the hypocrisy and cynicism of the heads of the EEC countries."

The disclosure coincided with reports that some ministers had tried to tone down the wording of Mr Begin's speech. Mr Gideon Pat, the Minister of Trade and Industry, reminding his colleagues of Israel's economic ties with the EEC, said that the speech should be a "political statement" and not a "diplomatic one".

Anger at the EEC has not been restricted to the Cabinet. In a leading article *Haaretz*, the paper of the National Religious Party—part of Mr Begin's shaky coalition—commented: "It is necessary to make a total enlistment of Jewish people everywhere in the world to arise in unceasing protest against the satanic plan of France, England, Germany and the rest."

Mr John Robinson, the recently appointed British Ambassador, told me today: "I regret the very emotional tone of the Cabinet's statement which seemed not to take into account what the heads of government of nine friendly countries had tried to do, or what they actually said."

"I noticed that the remarks attributed to the Foreign Minister, Mr Yitzhak Shamir, and the reaction of some senior officials seemed to have been a good deal less emotional and rather more in line with the first reactions in Washington and the East Coast press, which saw Europe adopting a middle position."

Mr Robinson said that he had heard nothing to substantiate rumours that Israel would refuse to cooperate with the proposed EEC fact-finding mission to the Middle East. According to Israeli sources, no final decision will be made on this issue until the EEC formally announces the mission's itinerary.

Commenting on Mr Begin's remark on European collaboration in Nazi outrages, Mr Robinson said: "I found it incredible that this allegation had been made, but unfortunately it seems that it was. Of course it is offensive to British people, and I reject it."

Earlier, Mr Shimon Peres, leader of Israel's opposition Labour Party, also criticized the Venice declaration. He singled out France for particular condemnation and described the French position on the Middle East as more extreme than Egypt's. Since Europe did not exist as a political entity, he said, there was no need for such an initiative.

Parliamentary report, page 6.  
Leading article, page 15

## Arab guerrillas intercepted and killed off coast resort

From Moshe Brillant  
Tel Aviv, June 16

A dinghy carrying heavily armed Arabs towards the Israeli coast was intercepted and destroyed by a navy patrol boat early today.

Three Arabs were killed in a brief exchange of fire about a mile and a half off the coast at Ashdod. The military command here said that a "terrorist hit" had been foiled. One Israeli seaman was hurt.

Some of the bloodiest attacks in Israel have been carried out by guerrillas who landed from the sea. The last landing was at Nahariya on April 22 last year when terrorists abducted a man and his daughter but were killed or captured by soldiers on the beach as they tried to escape with their hostages.

Officials here denied a Damascus report that the three men had inflicted heavy casualties in Ashdod, a beach resort, before they were killed. The officials said the boat had been ordered to stop for identification. As the Israeli craft approached a guerrilla fired a bazooka. The Israelis returned the fire, killing the guerrillas.

The wreckage was towed to the beach. It contained an American 16mm rifle, a pistol

with silencer and a grenade launcher.

Documents found on the guerrillas identified them as members of Al Fatah, the largest of the organizations making up the Palestine Liberation Organization.

Israeli aircraft and ships searched the sea for other raiders and ground forces combed coastal areas. Searches were conducted across the border by Major Saad Haddad's Christian militia, which is allied to Israel.

Israeli radio said this evening that the raiders apparently sailed from the Lebanon coast of Rashid, about 10 miles north of the border.

It was reported that a young woman soldier in her first week as a radar operator spotted the intruders.

An analyst said that there appeared to have been a change in guerrilla tactics. Hitherto landings had been at night and the raiders had tried to seize Israeli hostages to be bartered for guerrillas in Israeli prisons. That failed because the Israelis refused to negotiate.

The analyst said that the dinghy had been heading towards the coast in daylight and he speculated that the raiders planned to shoot early bathers and escape.

## Belgian tourist shot dead by Turkish troops

Amir, June 16.—Turkish troops shot and killed a Belgian tourist and seized his companion after they had sailed accidentally into a forbidden military zone, the Anadolu news agency reported today.

The two Belgians were sailing a rubber dinghy from Foca, about 25 miles north-west of Izmir on the Aegean coast, when strong winds drove them on to the island of Uzun. The island is a forbidden military zone.

The news agency identified the dead Belgian as Olivier Shaddock and his companion as Jacques Pourbaix. The report did not say exactly when the incident occurred.

## Farm workers killed in Zimbabwe raid

From Our Correspondent  
Salisbury, June 16

Three black farm labourers were murdered and three other people injured in an ambush at the weekend by what were described as terrorists at a farm in the Nyamandlovu area, near Bulawayo.

The wounded included a white farmer, who received shrapnel wounds in his right arm. One of the labourers was bayoneted and shot after he had been captured by two terrorists. The incident was reminiscent of the recent war. This time, however, there was no apparent motive.

## Spike Milligan ill

Hongkong, June 16.—Spike Milligan, aged 62, the British comedian, cancelled nightclub appearances here after falling ill suddenly early today. He was said to be suffering from exhaustion.

## Pravda says US emasculated Venice initiative

Moscow, June 16.—The European Economic Community's statement on the Middle East had been emasculated by the threat of a veto from Washington, *Pravda* said today.

Mr Gennady Zafesov, the paper's commentator, said the statement which emerged from last week's Venice summit was toned down after the White House issued a "categorical warning and the threat of a veto" against the planned initiative.

In spite of earlier hints, the declaration failed to touch on the Egyptian-Israeli peace process that began with the Camp David accord, it said. "These reservations and a curtness towards the Camp David deal practically fully emasculated the autonomous initiative of Western Europe."

"Once again the meeting of the Council of the European Communities has reaffirmed the truth that attempts by Western Europe to 'display autonomy' are utterly defeated under Washington's dictum," *Pravda* declared.—Reuter.

## Aeroflot flies in troops and equipment

Continued from page 1  
Independent regiments operating out of Kandahar, Bagram and Shindand.

There are now seven Soviet motorized rifle divisions in Afghanistan—there were only five last February—spread over Kabul, Herat, Mazar, E-Sharif, Konduz, Ghazni, Jalalabad and Paktia provinces on the Salang Road. Although the United States State Department still insists there are only around 80,000 Soviet troops here, the total, including supply and logistics units, must now come to more than 110,000 men.

Another disturbing addition to the Soviet armoury has been the arrival in Kabul of a fleet

of large Mi8 helicopters which can double as both transport aircraft and heavy bombers. It means that the Russians are now capable of concentrating troops in inaccessible mountains without risking the casualties of a parachute drop.

Every day the Soviet airline Aeroflot is flying two dozen or more passenger aircraft into Kabul airport loaded with troops and equipment.

I saw one Aeroflot jet in Kabul yesterday which would have whetted even further Mrs Thatcher's profound cynicism of Soviet intentions. The aircraft bore Aeroflot's proud English-language slogan "Official Olympic Carrier" on both sides of its fuselage. From its doors it was disgorging Soviet combat troops—some with blond hair—carrying their rifles and equipment down the steps to the tarmac.

They looked happy enough—one raised his arms towards the sun and said something that made his comrades laugh—although their chances of returning home in the same condition have palpably decreased in recent weeks. In May alone, 600 seriously wounded Soviet servicemen (including helicopter crews) were admitted to the Afghan military hospital near Kabul airport, and admissions to the

smaller Soviet clinics near the bus station at Khai Khana were believed to total about 400.

Two hundred of this 1,000 are believed to have died of their wounds—but this fatality rate includes only those soldiers who expired in hospital. Troops who are killed in action are taken immediately to Kabul airport where their bodies are taken home on board a series of old Antonov 12 transport aircraft.

The coffins are wooden boxes and you can see them being loaded from a dirt track to the east of the airport. No one knew what they contained until someone caught sight of a Soviet soldier saluting a box as it was hauled into an aircraft.

Western governments, Mr Heath said, had oscillated between the extremes of identifying themselves with Third World leaders, who policies ignored the prevailing forces in their own countries and of embarking on simplistic crusades for political reform without any consideration of how their leaders might be expected to achieve them.

Mr Heath said that relations with the Soviet Union should be based on the principles of having the strength to resist Soviet expansionism and of negotiating to limit the boundaries of competition, particularly in the developing world.

The second important deficiency of Western policy, Mr Heath said, was its lack of a clear objective. He said that the West's first failing, he suggested, was to equate good personal relations with the Kremlin with a stable political relationship between East and West. That view led negotiations to be strictly linked to her geopolitical conduct, so that when differences of policy arose, international relations were treated arbitrarily.

"As a result," he said, "we have seen the suspension of the Salt II Treaty, a treaty whose ratification remains on balance in the Western interest, and we have seen a temporary but deliberate reduction in high-level communications between the superpowers. This has taken place at a time of obvious danger which is precisely the time when they are most urgently needed."

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From John Best  
Ottawa, June 16  
An undeclared "fish war"  
between the United States and  
Canada has grown more serious  
in the past week. Mr. Mark  
MacGuigan, the Canadian  
Foreign Affairs Minister, has  
given a warning of a "serious  
risk of confrontation" between  
fishermen of the two countries.  
The situation deteriorated on  
Thursday when Canada uni  
laterally raised the ground fish  
quotas for Canadian fishermen  
operating on their rich Georges  
Bank, a disputed area south of  
Nova Scotia and east of the  
New England state.  
The action was regarded as  
a serious challenge to the  
of the United States. Senate  
to ratify a treaty concluded last  
year between the two govern  
ments, allocating shares of the  
Georges Bank catch in several  
fish varieties.  
The treaty, which would  
a companion treaty, would refer  
a boundary dispute in the same  
maritime region to international  
arbitration, is bottled up in the  
Senate foreign relations com  
mittee, with little chance of  
early passage.  
A number of powerful New  
England senators, including Mr.  
Edward Kennedy of Massachu  
setts, are refusing to let the  
treaty pass without amendments  
to increase the catch. Canada  
can share the catch. Canada  
rejects these amendments.  
While the treaty has been  
going nowhere in the Senate,  
the American Administration  
has permitted its fishermen to  
increase their catch of scallops  
well above the level envisaged  
by the agreement.  
"The over-fishing of scallops  
by United States fishermen  
runs directly counter to the  
agreed management regime for  
the Georges Bank," Mr. Remer  
leban, the Canadian Fisheries  
Minister, said, in announcing  
the increased Canadian quotas.  
Under the treaty the bulk of  
the scallop catch would go to  
Canada, while most of the cod  
and haddock catches would go  
to American fishermen.  
The Canadian action was  
viewed with dismay in Wash  
ington. An official called it "un  
fortunate".

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Military authorities here have  
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The paper said two villagers  
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A British Army spokesman  
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arresting illegal immigrants or  
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More than 31,000 illegal im  
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year.—AP.

Uruguay soldiers taught torture  
From Patrick Knight  
Rio de Janeiro, June 16  
Classes in torture methods,  
including practical sessions  
and lasting a week, are part of  
an intelligence course taken by  
about a hundred Uruguayan  
officers and soldiers every year,  
according to Hugo Gracia,  
a soldier who was for three years  
a member of the Uruguayan  
Army Counter-Intelligence Ser  
vices.  
Senior Gracia, who admitted  
participating in torture sessions  
himself as all course members  
were obliged to do, has now  
left for asylum in Norway.  
Speaking in São Paulo,  
Brazil, last Thursday, he said  
he had been one of a group  
of officers and soldiers who  
kidnapped two Uruguayan  
women, said to be members of  
a terrorist organization, and  
their two young children, in  
Porto Alegre, southern Brazil,  
in November 1978.

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Boston doctors wearing suits surround a woman patient on the operating table in a photograph of the 1840s.

Photographs show surgical operations of 1840s

Boston, June 16.—Some of the earliest photographs ever made of hospital surgery have been discovered in a collection of long-forgotten artifacts in a vault at Massachusetts General Hospital. Two dozen old photographs, called daguerreotypes, went on display today at Fogg Art Museum, Harvard.  
One of the photographs de

icts a reenactment of the world's first public demonstration of ether, held at the hospital on October 16, 1846. Two others show the use of ether in real operations.  
The surgical amphitheatre where the anaesthesia pictures were taken, probably in 1846 and 1847, is now called the Ether Dome.

"Although we cannot pinpoint the age of these photos, we know of no others taken earlier which show a surgical event of any kind," Dr. Guillevain, of the hospital's archives committee, said.  
The photographs were from the collection of Dr. Henry J. Bigelow, a well-known surgeon, who joined the hospital staff

in 1846. His collection had been stored in a vault and forgotten until found by a hospital team assigned to catalogue and centralize the hospital's artifacts.  
One of the surgical pictures shows doctors in black suits and bow ties gathered around an unconscious woman patient, modestly garbed in a full-length dress and shoes.—AP

neglect. Many historical sites and architectural monuments were defaced or close up during the Cultural Revolution, but are now being gradually restored and reopened.  
Plans to build a cement factory near the valley of the Ming tombs have been scrapped.  
The planning officials in London as an example of a city which has failed to cope with the growth of a commuter belt around its economic centre. The pollution issue is becoming acute in Peking, though the capital is pouring money into this regard than the big industrial cities of north-east China, where pollution is virtually uncontrolled.

It is estimated that in Peking nearly two million tons of untreated industrial waste water is poured every day into the city's waterways, which are of small capacity.  
It is also argued that light industry is more profitable and gives quicker returns on investment than heavy industry.  
The thinking behind this decision is characteristic of Vice-Chairman Deng Xiaoping, who is known to feel that steel and other heavy industries have been greatly over-emphasized in the planning of the Chinese economy.

More forests: China planted 8m acres of trees this spring and aims to conserve water and soil, as well as to increase its timber reserves. The New China news agency reported today.  
China's long-term target is not only to increase its forest area and timber reserves, but to conserve water and soil, protect farmland against sandstorms and improve the climate.—Agence France-Press.

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Considerations when making orders for adoption

In re D (Minors)  
Before Lord Justice Ormrod, Lord Justice Brandon and Mr Justice Hollings  
[Judgments delivered June 12]

The Court of Appeal allowed an appeal against the refusal of a judge to grant an adoption order in respect of two children on a joint application by the mother and their stepfather. The court held that the judge had not paid sufficient regard to section 5 of the Children Act, 1975, which ought to be read together with section 10(3) of the same Act, in reliance on which the judge had made the order.

Section 5 provides: "In reaching any decision relating to the adoption of a child, a court of adoption agency shall have regard to all the circumstances, first consideration being given to the need to safeguard and promote the welfare of the child throughout his childhood; and shall so far as practicable ascertain the wishes and feelings of the child regarding the decision and give due consideration to those wishes and feelings to his age and understanding."

Section 10(3) provides that where a married couple applying for adoption "consist of a parent and step-parent of the child, the court shall dismiss the application if it considers the matter would be better dealt with under section 42 (orders for custody, etc.) of the Matrimonial Causes Act, 1973."

LORD JUSTICE ORMROD said the appeal was by a mother and her husband, Mr D, against the refusal of Judge Baker to make an adoption order in respect of the mother's two daughters, aged 8 and 10½ years, who had consented to the adoption.

The mother's first marriage ended in 1972 when the father, Mr D, was aged 53, was preparing to fly back to Uganda tomorrow, a year after he was ousted from the presidency, with the expectation that he will be chosen as the Democratic Party's presidential candidate for the elections due later this year.

However, Mr Lule has still to receive written assurances of his safety from the military-backed Government of Uganda. "I have been given verbal assurances by telephone, but I will not leave until I receive written confirmation," he said here.

Elaborate preparations have been made in Uganda to welcome Mr Lule. Celebrations of his impending arrival have already begun and his supporters say he will travel in a motor convoy from Entebbe airport to Kampala, and will attend special prayers in the Anglican cathedral before addressing a massive rally in the capital.

About 15 Ugandan were said to have been shot last night when troops found them holding celebrations in honour of Mr Lule. Reports from Kampala say armed soldiers roamed areas of his impending arrival, and parties of Lule supporters in some cases opened fire.

Mr Lule, a former principal of Uganda's Makerere University, told me that Uganda's main problems were insecurity, stagnation, and economic depression. It was necessary to restore people's confidence in the nation and government. It was important at this time for all Ugandans to work together to find a solution to the present tragedy and crises facing our country.

adoption order was a fine one. The most significant factor, in his opinion, was that the children had a clear recollection of their mother and were well aware that their stepfather was not their real father. His conclusion was that an order ought not to be granted.

However, in September, 1976, the surname of the children had been changed to D by the court by deed poll, with the consent of their real father. The children were not subject to an order for custody under the Matrimonial Causes Act, 1973. Maintenance payments continued to be made by the real father. The children had spontaneously agreed to regard him as their father. Mr D called him "Uncle Jim" and referred to her stepfather as "Dad".

Both children were anxious to be adopted, Mr D giving as his reason that it would make the family united, and S that it would make Mr D "her proper dad".

All the persons involved agreed that the adoption order was desirable, the only objection coming from the guardian ad litem. The difficulty arose over section 10(3) of the Children Act, 1975, which appeared to have been passed owing to anxiety among social workers about the multiplicity of adoption applications by step-parents. It should be noticed that the section required the application to be dealt with under section 42 (orders for custody, etc.) of the Matrimonial Causes Act, 1973.

The court was divided 2-1 on the question of whether the adoption order itself was a custody order, and it was very difficult to decide what the right criteria were. The court (Majority) provisions of the Matrimonial Causes Act and the Family Reform Act had not been considered where it was almost impossible to show any financial benefit from the adoption order. The court was divided 2-1 on whether the order was a custody order, and it was very difficult to decide what the right criteria were.

There was no reason why making an adoption order should prevent the children from seeing their father or grandfather, which was desirable, whatever its legal effect. In his Lordship's view the making of the order would increase rather than diminish the contact between the family. No application had been made for the adoption of Mr D's children, and his mother had completely disappeared, and there appeared to be no obvious objection to the making of the order. The judge said that Mr White

snatched while being taken to the office. The robber was caught and the money recovered, but the incident caused anxiety to Mr Bowes, the manager of the bank. Shortly afterwards the system was changed, and the people at the bank began collecting the wage money from a safe in their cars. Mr Bowes gave instructions that the arrangements should be varied every time, by for example using taxis to collect the money from private cars, going by different routes and having different collectors. The only invariable was that the money had to be picked up on Friday mornings.

Contrary to those instructions and unknown to Mr Bowes, the collection was settled into a pattern. It was usually done by Mr Charlton, a security chemist, and another employee, in Mr Charlton's car and using the same computer. In February, 1977, the two men were attacked and Mr Charlton was nearly blinded.

The amount of the weekly collections was about £1,500. After making findings of fact, the judge concluded that he found it impossible to say that a firm with a payroll that size ought in principle to be a target of ineluctable necessity, to employ a professional security firm to make the collections. But at the end of the judgment, and rather inexplicably, he suddenly took a different view and said that it was a special case. He seemed to be influenced by the fact that after the 1977 incident a security firm was employed.

The principle to be applied was that laid down by Lord Reid in *The Wagon Mound (No 2)* [1967] 1 A.C. 617. "No 2" person must be regarded as negligent, if he does not take steps to eliminate a risk which he knows or ought to know he is taking, and not a mere possibility. There was a real risk in the present case, but Mr Bowes had taken reasonable steps to reduce it. It was significant that statistics relating to firms at the Barking industrial estate showed that the vast majority with payroll of £1,500 a week collected the money by their own employees.

Company not liable to attacked employee

Charlton v Forrest Printing Ink Co Ltd  
The Court of Appeal held that a company which collected £1,500 a week from a bank for the payment of wages was entitled to employ a security firm for that purpose, but to use its own employees who had been instructed to vary as far as possible the places, times, routes and parking vehicles used, routes and parking places. The company was therefore not liable for the injuries suffered by an employee who was attacked and nearly blinded while collecting the wages.

Their Lordships allowed an appeal by the defendants, Forrest Printing Ink Co Ltd, of Gray's Inn Road, London, from Mr Justice Forbes's judgment (*The Times*, October 19, 1978) for the dismissal of Peter Charlton's claim for damages against the company. Mr Charlton, a security chemist, was injured while collecting the wages of the company's employees. The company was therefore not liable for the injuries suffered by an employee who was attacked and nearly blinded while collecting the wages.

The MASTER OF THE ROLLS said that the company had its main office in Gray's Inn Road, London, and that the wages were collected from a bank in Fleet Street and then taken to premises in Barking, where the company's employees worked. In 1974 the wages were

injunctions were confined to foreign based defendants, what Sir Robert Megarry, Vice-Chancellor, said in *Megarry v. Yell* (*The Times*, April 24) was that the Court of Appeal said, in appropriate circumstances such an injunction can be granted against a defendant even though he claims to be based in this country.

The court allowed an appeal by the plaintiff, Mr. Abdul Rahman Bin Turki al Sudary, a Chelsea, against the refusal of Mr Patrick Bennett, QC, sitting as a deputy High Court judge, on June 9, to grant an injunction restraining the defendants, Mr. Park Leat and Mr. Abu-Gosh, of Park Leat, from removing or moving assets from the jurisdiction or otherwise disposing of them.

The MASTER OF THE ROLLS said that the plaintiff had a good arguable case to recover £34,000 on his claim against the defendants. His summons under Order 14 of the Rules of the Supreme Court, dated June 9, 1979, for an order that the defendants should pay him £34,000, was dismissed. The court found that the plaintiff had a good arguable case to recover £34,000 on his claim against the defendants. His summons under Order 14 of the Rules of the Supreme Court, dated June 9, 1979, for an order that the defendants should pay him £34,000, was dismissed.

Scope of Mareva injunctions

Bin Turki v Abu-Taha and Another  
There is no reason why Mareva injunction relief should be confined to foreign based defendants, what Sir Robert Megarry, Vice-Chancellor, said in *Megarry v. Yell* (*The Times*, April 24) was that the Court of Appeal said, in appropriate circumstances such an injunction can be granted against a defendant even though he claims to be based in this country.

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Constable cannot give permission to himself

Keene v Muncaster  
A uniformed police constable cannot allow himself permission to park his car on the footway of the road during the hours of darkness, the Divisional Court held.

The court dismissed an appeal by Stephen Owen Keene, a police constable, against his conviction by Hampshire justices of contravening regulation 115 of the Vehicles (Construction and Use) Regulations, 1973, which provides that "no person shall, except with the permission of a police officer in uniform, park a motor vehicle on a footway or on a road during the hours of darkness otherwise than with the left or near side of the vehicle as close as may be to the edge of the carriageway".

The LORD CHIEF JUSTICE, sitting with Mr Justice Boreham, said that the constable, in uniform, was on duty and engaged upon the task of getting a statement from a proposed witness or defendant. He was on his own, and had parked his car in contravention of the regulation. The sole question for the justices was whether he could give himself permission, as a police officer in uniform, to leave the car where he did. The justices had decided against him and had given him an absolute discharge.

In their Lordships' judgment, the justices' conclusion was correct. In the ordinary use of the word "permit" in the regulations, it was not to be envisaged that an officer could give himself the necessary permission to leave the car where he did. The justices had decided against him and had given him an absolute discharge.

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VSD, although ahead of them  
th is Marc Pajot, sailing Paul  
card, which is not an official  
try in the race. Mike Birch, the  
Canadian, who had earlier con-  
sidered himself to be out of the  
race through damage to his tri-  
aran. "Olympus" is reported to  
again in contention



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# THE ARTS

## Holland Festival

### Stockhausen in the clouds

Every creative work is a gamble with destiny, but rarely, rarely, can an artist have played for such high stakes as Stockhausen now. Since 1977 he has devoted himself wholly to *Licht*, a cycle of seven music dramas for the present rate of progress will occupy him into the next century.

It is not, of course, the first time a German musician has attempted a vast scenic explanation of the cosmos, devised for his own text and production, and surrounded it with some pretty bary pronouncements. It would be wonderful to believe we were witnessing in *Licht* the birth of a work of comparable grandeur, and I still cling to some hope of it being so. After all, Stockhausen is Stockhausen. His works of the last 30 years have earned him the right to goodwill, and mental generosity required if one is to accept a posture of such arrogance as this. However, after Saturday night's performance in Amsterdam,

which brought together more of Licht than has been done in any place before, I have the gravest doubts.

The Amsterdam performance included - only one act and another scene from the work scheduled for Thursday in the cycle, and we shall have to wait until next spring at La Scala before Donnersgrag is revealed whole. Nevertheless, these bleeding chunks lasted for almost two hours, enough to indicate how a good many marvellous musical inventions and a few brilliant stage ideas are cast adrift on oceans of emptiness and wild-space fantasy.

One may, lib sometimes at the text of the *Ring*, but at least it is dealing in depth and at length with central human issues, and at least it is supported by music of the same richness and range. By contrast, Stockhausen assumes that his every musical idea, no matter how slender, is a magical inspiration, and that there is some awesome visionary truth in a personal mythos which is obnoxious when it is not

puerile. Most of all it is obnoxious in presenting us with a redemptive messenger who takes upon himself the whole weight of Christian imagery, among much else, while remaining at the philosophical level of Star Wars or, at worst, Erich von Däniken.

*Michael*, the first act of *Donnersgrag*, introduces us to this Michael, who with Eve and Lucifer is one of the main personages of *Licht*. Each of them, in one of Stockhausen's most fruitful ideas, interpreted not only by a singer but also by an instrumentalist and a dancer. Most of the act consists of very basic music: simple against a backdrop of ethereal voices on tape. There is a long scene requiring the tenor Robert Gambill to play Michael as a prancing monkey, followed by an even more embarrassing bit with the poor harpist-hornist Suzanne Stephens dressed as "Moon-Eve" but looking more like a willing hoopee: she is supposed to captivate Michael with her "erotic playing", but costumed

thus her seduction of him is bizarre. Finally Michael in his three guises proves his skills as trumpeter, tenor and gymnast.

In the second act he goes off "to a journey around the world, but on this occasion we caught up with him again in the first scene of the final act,

*Michael* Heinrich, receiving its world premiere. The scene is a ceremony of welcome organized by Eve, though with its statuesque participants robed in grey, apple-green and sky-blue it looks more like a class one funeral in Salt Lake City. The music, however, is another matter. Clangorous or

serene, the writing for chorus and orchestra catches at a transcendental splendour that owes something to Messiaen but is entirely Stockhausen's; and here Peter Edvós secured a beautiful performance from Dutch radio forces. Meanwhile the dramatic events range from the utterly crazy to the deeply

*Michael* Heinrich in rehearsal: Lucifer (Alain Louafi) offers the world to Michael (Michele Noiret)

moving, and it is probably significant that virtually all the good work came from the dancers, Michele Noiret as Michael, Elizabeth Clarke as Eve and Alain Louafi as Lucifer, all of whom must have been largely doing their own thing.

If Stockhausen would stick to his own thing, writing music, then all would be well. But I fear he has invested too much in *Licht* to withdraw at this stage, for the hope is not just a mystic testament, it is also a family enterprise, at present featuring his son Markus as trumpeter, his daughter Majella as pianist and his young son Simon as one of two boy saxophonists. If by ruthless revision, he can make the whole thing work, then *Licht* may eventually turn out to have been the most stupendous creative blaze since an earlier abeyance. If not, then a great talent will be wasted for a generation.

Paul Griffiths

### The commercial galleries' hidden talents

Viva Victoria  
Roy Miles

From Tintoretto to  
Tiepolo  
Heim

The Portrait Surveyed  
Agnew

Goltzius and other  
Northern Mannerists  
Colnaghi

There is room enough for argument about how good a place London is for those dedicated - particularly to all that is most advanced in the arts: though one does, sooner or a little later, get to see most of what is going on. It is usually more adequately represented in slightly retrospective shows at national or non-commercial galleries (the Hayward, the Serpentine, the Whitechapel) than in the commercial West End. When we turn to old masters and pre-nineteenth-century art generally, though, the scene is very different. While the national galleries do sometimes put on revelatory shows leading to major revelations - the National Gallery's Venetian Seventeenth Century, Painting last year, the National Portrait Gallery's Lawrence show - it is amazing how much scholarship is ready to hand in the commercial galleries of London at any given time, and how much unfamiliar art it is applied to.

Especially in summer, when many put on spectacular shows from stock, from loans, or from a judicious mixture of the two. It is always safe to advise any interested visitor to check, not only on the main public galleries, but also on what the major long-established commercial galleries like Agnew, Colnaghi and Heineken, and more recently those of Morris and Co tapestries have on the same designs, and the second also exists as a woodcut in the Kelmscott Chaucer. Though the emotion is a bit dim and cloying, the coloring is rich and subdued, and it is unlikely to wow anybody who does not already respond to Burne-Jones's rather wan charms, at least they should preach eloquently to the converted.

The rest of the show lives up to this standard. There is, naturally, a proportion of pure kitsch - but then, a knowing enjoyment of kitsch is almost as important to the connoisseur of Victorian art as the ability to distinguish it from the genuine works of art. Among the latter are one very good Leighton, *Lieder ohne Worte* (acquired by the Tate), a dreamy painting by a marble fountain, and another *Hill*, which was more famous in its day, no doubt because its image of a pubescent lad being instructed in archery by a muscular big brother figure (both scantily clad) has strong if unacknowledged Uranian overtones.

There is also, representing Pre-Raphaelitism proper, a crisply detailed scene of a busy, late-summer street in *Street-side*, by the rare Liverpool painter John J. Lee, plus a rather drippy *Mary Magdalene*, and a rather bland and fearful *St. Sebastian* by John Collier. And, representing the Roman end of this Victorian exchange holiday, paintings by such little-known Italians as Gioia, Caputo and Fabbri, who look as though they might be fun (if no more) to know better.



Leighton: *Lieder ohne Worte* (detail)

Burne-Jones's work processes, especially the *Annunciation*, on which an array of detailed instructions has been revealed by the removal of an old money, the two Rose oils, *Pilgrim at the Gate of Idleness* and *The Heart of the Rose*, have not been seen in public since 1893, and are fine examples of Burne-Jones at his most monumental and statuesque; there are Morris and Co tapestries based on the same designs, and the second also exists as a woodcut in the Kelmscott Chaucer.

Round the corner at Heim you might well expect something more solemn and substantial. And you would be right: *From Tintoretto to Tiepolo* consists mainly of what the auctioneers' catalogues insist on calling "highly important" Italian paintings and sculptures. Nothing much here for the frivolous, though one might find a moment's amusement in the curious spectacle of Carpinetti's *The Self-Mutilation of St. Benedict*, in which the pained saint reclines rather comfortably in the thorns and nettles reading - holy books - while blind angels and fearful putti offer him roses. In general we are back to the standard texts: *St. Sebastian* by Carneio and Trevisani, a particularly gruesome *Judith and Holofernes* by Carlini, and the like. One or two Italian studies, *A Samson* and *Delilah* newly attributed to Cecco Bravo has

It is also useful to be able to check on the reputations of much more famous painters by taking an unprejudiced look at the removal of an old money, the two Rose oils, *Pilgrim at the Gate of Idleness* and *The Heart of the Rose*, have not been seen in public since 1893, and are fine examples of Burne-Jones at his most monumental and statuesque; there are Morris and Co tapestries based on the same designs, and the second also exists as a woodcut in the Kelmscott Chaucer.

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John Russell Taylor

### One Hundred Great Paintings

BBC 2

Michael Ratcliffe

Cecil Gould was, of course, correct, when he wrote to *The Times* recently that the amount of space given to the visual arts on television was and always has been disgracefully low, and it was a happy coincidence that his letter has been followed so soon by an idea so obvious, simple and attractive that it has already been sold to most of Europe including Germany, Italy and France.

*One Hundred Great Paintings* is a series of 10-minute programmes to be shown in the early part of the evening at intervals over the next two years, and if the standard of the first five, starting last night, is maintained it is clear that the BBC and its co-producer, Reiner Moritz of Munich, have a great success on their hands.

Philharmonia/  
Frühbeck  
Festival Hall

Stanley Sadie

A requiem, goodness knows, has every right to be sombre, most of all one that may possibly have been written by an ailing composer thinking of death. But there comes a point where solemnity and weightiness are self-defeating, where gravity elides into mere solemnity, the reverent into the sentimental.

That point was, I thought, too nearly reached in the Philharmonia's performance of Mozart's Requiem on Sunday. The work sets its own standards of judgment, as his last large-scale church work for many years, his only requiem. Yet this performance set it in an aggressive, world too remote from those of, say, the C minor Mass of 1783 or (a more immediate predecessor) *Die Zauberflöte*.

Rinaldo  
Gonville and Caius  
College, Cambridge

Stanley Sadie

Not long ago, Handel operas were reckoned *hors concours* even for hardened professionals, let alone students. Now experience is broader, and courage runs higher, so it is good to see a serious attempt at one of Handel's richest scores in place of one of the usual frolics.

*Rinaldo* was a wise choice: no masterpiece of drama, but full of character and numbers which can hardly fail to make a good effect. Caius has a ball of moderate size and co-operative acoustics. For this performance it was, as it were, inverted, and we were faced the kitchen end; a stage was erected in the lower half with

However much of it is by Mozart or by the inferior Süßmayr, it ought not to be pressed quite so far from the norms of Mozart's church music or the ecclesiastical art of its time. Colouring so consistently dark, tempo so consistently slow, pressed it towards the expressive world of at least the High Romantic era.

It was an efficient, well executed performance. The Philharmonia Chorus were as dependable as ever, coping calmly with those running (or strolling) semiquavers, and with their tone devoid of spread so that the fugue textures, even with a choir of 85 or so, were clear, and the middle-voice entries readily audible.

Rafael Frühbeck de Burgos was inclined to press the tempo forward here and there in the fugues, particularly "Quam olim Abraham": he did not eschew drama altogether, but his dramatic handling of the "Dies irae", for example, was too self-conscious, too "effective" to be effective, with the tenors and the dynamic hairpins so carefully placed. I found the soft wash of sound

showed, and of attack, as witness her final, military aria; though like most of the cast her emotional energy flagged in the long second act and the music was less vigorously characterized. A formidably stormy Argente was supplied by March-Bassac, a substantial bass. Simon Ralle sang Goffredo in a slender but elegantly phrased tenor; Melanie Armistead provided an Almirena of warmth and tonal fullness, though occasionally faltering pitch. In a substantial role as Armida with a good ring but modest dexterity. No one made much of the Italian words.

Malcolm Hunter's production, if allowing people to stand around excessively, coped well with limited resources. Graeme Jenkins chose most of the tempos sensitively and, generally, fostered a nicely rhythmic playing from a small student orchestra.

Chopin's *P. sharp Impromptu* and *Andante spianato* and *Polonaise* like a different player, with a beautifully shaped cantabile right-hand melody, sensitively phrased and balanced within a "richly coloured harmonic background. Unless she feels able to adapt her technique to the less overtly virtuosic style of earlier music, she must restrict herself to the romantic repertoire.

The Swedish Guitar Trio provided what is unquestionably the most interesting event. I have attended for some time. This should by no means be reckoned a reflection on their playing, for Erik Møllerström, Jörgen Rörby and Göran Westberg are among the most accomplished of guitarists; moreover, if their programme represented the best of the repertoire, they deserve special congratulations for perseverance in the face of all the odds. A conglomerate of nonentities by Leonard de Caff, Ponce, van der Saak, Farfari, Gal and Hindemith received polished, elegant performances. Only John Duarte's characteristic Variations on a Swedish Folk-song exploited the medium sufficiently to show the precision of their ensemble, neatness of their phrasing, and their ability to vary tonal colour within a severely limited dynamic range.

Judith Nagley

Some of the reviews on this page are reprinted from yesterday's later editions

### Book review

The Punic Wars  
By Brian Caven

(Weidenfeld & Nicolson, £12.95)

The conflicts between Rome and Carthage continue to fascinate, for many reasons. The sheer scale impresses, both in time and space. The struggle continued intermittently for 118 years, spread over the whole western Mediterranean. Hannibal's war led directly to Rome's conquest of Greece and the East and to her emergence as a world power. Military events are recorded in considerable detail, with tolerable agreement among the ancient sources. The tale is marked by mighty deeds and sudden disaster, by examples of heroism, perfidy and incompetence. The first two wars were won by Rome not so much through the genius of her commanders

as by the sheer dogged determination of her people at all levels of society: the third in the much changed conditions of the later second century BC, destroyed Punic Carthage for ever. It is a cardinal epoch in European history, which has lacked historians neither in antiquity nor today.

The latest, Brian Caven, of Birkbeck College, presents in annalistic form and confined to military matters a detailed narrative of the conflict for the general reader. Of the political background, and events, he says little: little is known, although one may suspect that political alignment in so individualistic a body as the Roman Senate was rather more fluid and complicated than the large groupings that the author sees, for instance, behind the strategies of the Hannibalic War. As to why they fought each other, received wisdom

explains the Roman involvement in the first two wars (and, often, the third as well) as arising from "defensive imperialism", a notion deriving ultimately from the Roman Greek Polybius himself. As the Romans were extremely careful not to appear to initiate unjust or aggressive action but always to seem to be forced into war in self-defence, Brian Caven, rightly, refuses assent to such simplistic and tendentious explanation. Misunderstanding is allowed its due weight, and above all, Caven insists on the impetus to war inherent in the ideology of the Roman aristocracy, for whom the highest glory lay in military success, and whose proudest boast was to have extended Roman power. For the ordinary Roman, too, unglorious the commercial Carthaginian, war provided the one opportunity for even

modest enrichment. As W. V. Harris has recently argued, the Romans of the Republic expected and intended war against some enemy or other almost every year.

Military history demands maps and those printed in the text are generally adequate. But the convenience of the reader attempting to follow complicated manoeuvres would have been sensibly enhanced by placing the more important maps at the end of the book in pull-out form. The author dispenses with the intrusive apparatus of scholarship: the reviewer is less convinced that the general reader is frightened by discussion or argument, in due moderation. "How do we know?" is, perhaps, the most important of all questions for the historian.

Donald Earl

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Caroline Moorehead on the misplaced optimism about the industrialized world's energy resources

# The 10 precarious years when the West will be most vulnerable

In 1970 a chart prepared by the Oil and Gas Journal predicted that the average annual increase in oil consumption over the following 10 years would be at 6 per cent, from 38.7 million barrels a day to 69 million. This year, demand in the free world is in fact running at between 50-51 million barrels.

When the Royal United Services Institute ran a seminar on world resources in February 1978 they asked their speakers to consider, separately, minerals, energy, non-mineral raw materials and food. To regard those topics as independent one from the other would today no longer be possible.

With the rise in the price of oil and the "chicken" of its regular supply has come the realization that all the world's resources are interrelated and that all, in the end, depend on energy.

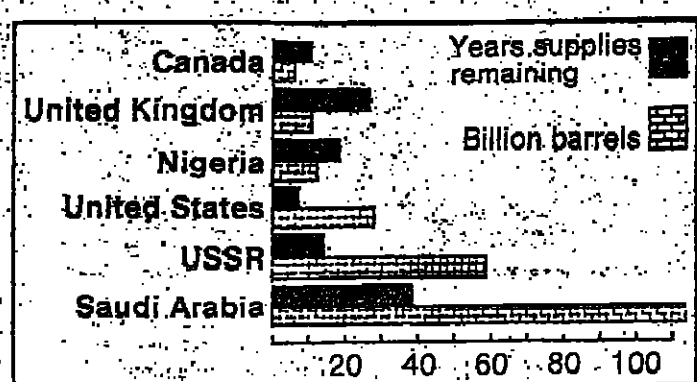
It is thus the future of energy that is interesting now, the pressures on it and the limits to which people will go to preserve it.

In the short term the energy picture is in fact quite good. Supplies for the remainder of 1980 appear reasonably assured with oil demand down this year by 3.5 per cent on 1979 levels and the 13 members of Opec producing an average of about 27 million barrels a day—just over half of free world demand.

Stocks are at their highest in four years; about 85 days supply compared with 69 days in 1978.

In the long term, the picture is not so much bleak as confusing. At their most optimistic, experts envisage oil production in the non-communist world rising to about 57 million barrels

## WORLD OIL SUPPLIES



The size of reserves and rate of depletion at current levels for some major oil producers.

reels a day and keeping to that level to 2010 and beyond. If this figure is accurate, enough oil remains in the ground to meet demand for the next 63 years by which time coal, nuclear, solar and other alternative sources of energy will have been developed.

But their optimism is not widely shared. Opec in fact has reduced production by more than three million barrels a day, since the autumn and their exports are likely to decline in the future, partly because of a rise in their own domestic consumption, partly in keeping with their intention of husbanding their reserves. Production by Opec countries is unlikely to grow very much; increases from the North Sea will merely offset the decline in production from the older fields in the USA and Canada. Meanwhile the oil imports of developing countries must rise if their economic development objectives are to be met. And the Soviet Union, now exporting

about one million barrels a day, is likely to become a new importer of oil by 1985.

Optimists and pessimists alike agree that the industrialized world is entering an extremely precarious phase. "The dangerous period," said one expert, "is the next ten years." It is during the Eighties, when no alternatives to oil for energy are in full swing, when consumers are still to be convinced of the need for stringent conservation, that the economies of the West will be at their most vulnerable to any sudden disruption of supply. "The potential for conflict of interest," as one Shell economist put it recently, "is greater over energy than any other single cause."

He went on to point out that the problem today stems largely from the fact that despite the warning given by the overnight rise in oil prices of 1973, very little was actually done to educate the public in the new oil realities or to invest

seriously in alternatives to oil. One difficulty was that, even after the import price rose from \$2 to \$14 per barrel, oil was still cheaper than its alternatives, and this remained true for most of them until last year.

The result is that the production of coal, in a state of worldwide decline over the past 20 years, has not picked up, that 60 per cent of the USA's enormous consumption of oil still goes on cars, that many planners today continue to prefer to envisage a moment when the homogeneity of Opec is broken by intercountry quarrels than brush with environmentalists over the siting of new power stations.

There is, too, the fact that changing over to new sources of energy is not merely vastly expensive but extremely slow. "Any energy project not already started today cannot contribute to energy before 1987 at the earliest," say the experts. Power stations take 10 years to bring on. Projects

to develop solar, wind or tidal alternatives are checked everywhere by the daunting size of the capital investment required.

The effect as one oil man put it, is that "people contemplate disaster, but privately" Despite good stocks, the major oil companies watch their influence in the world oil market dwindling rapidly, diversify as fast as public encouragement allows, and keep a keen and wary eye on a supply picture that could change overnight.

Apart from anything else, they have already parted away at all surplus BP for instance, once a large crude oil trader, now have only enough for their own refining needs. Until well into the Seventies BP took 2.7 million barrels a day from three Opec members, Iran, Nigeria and Kuwait. By April this year they were getting nothing from either Nigeria or Iran. Yet no one is really willing to speculate on the implications of a further reduction in supplies. The talk is all vague, of rationing, of shared supplies, of a "new economic order based on other sources of energy".

Outside the oil world, people are more outspoken but still prefer to pose questions. What happens, they ask, if there is a state of insurrection in Saudi Arabia and the present oil output of 9.5 million barrels a day is cut off? Britain gets \$4 per cent of its oil imports from the Middle East. If South Africa is taken over by a regime sympathetic to the Soviet Union? (South Africa is the world's biggest producer and possesses the largest reserves of platinum, gold, vanadium and aluminium, and is second in many other minerals).

Mr Michael Ivens, director of Aims, who recently produced a document along these

lines called *The Resource War*, bewails the unpreparedness of governments in the face of the "oil threat" and points to the weakness of Nato and the fact that the world has no understanding of the dangers.

One former high-ranking military officer talked of setting up a Commonwealth fleet to patrol the seas against pirates in search of tankers to hijack. Others brood on the choice between an American invasion of the Persian Gulf and a world recession on a scale never before contemplated.

In the United States of America, Mr John Sawhill, Deputy Secretary of Energy, speaking of the need for international cooperation, recently called for "emergency planning". In this he included petrol rationing plans in case of a serious shortage (he did not spell out what might cause it) and setting up a strategic petroleum reserve of 750-1,000 million barrels. The United States Government, he said, had set a goal of reducing oil imports by 50 per cent by 1990.

"There comes a moment when countries become vulnerable because their dependence on imports is too great," said one speaker at the 1978 seminar. The USA alone will be spending \$90,000 on imported oil this year; Britain is totally dependent on imports for its chromium, cobalt, manganese, nickel, phosphates and vanadium. Both clearly are vulnerable.

But there are experts who believe the events of the last decade will prove immensely valuable. "We might otherwise," said one economist, "have headed for a major crash sometime in the Eighties. We have in fact been given time to prepare."



Mr Nguyen Co Thach: foreign minister with a mission

## Kampuchea: Vietnam read to talk at last

When Mr Edmund Muskie, the American Secretary of State, leaves Kuala Lumpur later this month after meeting foreign ministers of the Association of South-east Asian Nations (Asean) it is unlikely that they will be able to announce any far-reaching initiative on Indo-China.

The visit of American secretary of state to the foreign ministers' meeting is now a firm annual date but it is more as occasion for confirmation of mutual aims than for ground-breaking. This month's visit will be no exception. But it is felt to be even more important than usual in the capitals of Asean as the Vietnamese presence in Kampuchea takes on more and more the appearance of permanence. It is now 17 months since their arrival and there is no sign that the 200,000 troops they have deployed in Kampuchea are about to be reduced.

There is much talk of wavering, and not only in the West, on the Asean-sponsored United Nations resolution calling for the withdrawal of all foreign troops from Kampuchea. The Vietnamese undoubtedly sensed that there was a lack of unity and recently sent their Foreign Minister, Nguyen Co Thach, to Kuala Lumpur and Bangkok to investigate. But the Vietnamese, while offering some new ideas of their own off the record, seem to have mistaken what was really aspiration for a break-through, for cracks in Asean unity.

In one sense, of course, the Vietnamese are right. There is a certain disagreement in the Asean capitals as to which superpower is the greatest threat to the region and how imminent is that threat. But in the main, the purpose remains the same: to register the fact that the Vietnamese took over Kampuchea by force and have Hanoi retreat from its present position of "nothing to talk about" on Kampuchea.

Short of military action, which is both impracticable except with outside help and on a scale that would have unpredictable consequences, there is very little that the Asean countries can do to reverse the Vietnamese invasion. And there is more than one vocal faction in the region which finds it entirely logical that the Vietnamese should have a friendly government in Phnom Penh. Although an eventual accommodation is essential, what sticks in Asean, guileless even though Indonesia has been known to annex territory by force in the past—is that if they unconditionally accept the incorporation of Kampuchea into Vietnamese Indo-China, the next logical candidate is Thailand.

And from there it is only a few tank-days down peninsula Malaysia to Singapore and the tip of the Indonesian archipelago. Where there is undoubtedly unity in Asean is over the direction from which a first move to a settlement should come—Hanoi. But the Singaporeans, as usual, are the most vocal about it.

And that was why, I think, Thach's visit to Kuala Lumpur last month spread the belief that the far foreign minister was way to offer something the negotiating ball.

The received view Asean countries, it is that the Vietnamese have time on their analysis has it that a mic and political cost the Vietnamese and their sponsors are grow more unmanageable.

Having declared "mity" against the Chinese, the Vietnamese now find themselves with a large par million-man army tied the Chinese border, troops on combat harassment from the Rouge to Kampuchea between \$1m and \$1.5m while Hanoi's diplomacy continues through of economic problems that could be alleviated help from the very who are registering "conduct" at the V.

For the Soviet Union thinking goes, there monetary cost of ass Vietnam and the poll harassment at being a two world trouble spot same time—Kampuchea. Certainly values its diplomatic with the Asean countries for regional with Peking. Moscow tions with all of them, China still does not have relations with 5 and the Soviet Union maintain that edge in plex of relatively well-Asian countries as a counter-balance to a Chinese-American fr.

The Singaporeans, have that the Vietnam shortly realize that in danger of foreign hard-won national i ease in return for total and political dependence Soviet Union. They po to Chinese estimates growing strength of the Rouge to Kampuchea, 50,000 fighters, through recruits from the camps on the Thai-Kam border. Though the are hardly the mo interested observers, it from recent attacks w city of Phnom Penh a Khmer Rouge remain to be reckoned with du rainy season now b ginning, when condit be the most favourable for the fighting.

But whether this com of "factors will co-vinc Vietnamese to change c anybody's guess. I attempts to predict the of recent Indonesian have proven as inaccu the event, as the Viet have proved resolute a chances are that the i will remain long af Muskie slow of so with Asean is over."

David

Bernard Levin

## I know a classic when I see one

I have little feeling for the cinema; it is not quite the blank, invisible realm that the ballet represents for me, but I have always found that there is a gulf between the screen and me, produced of a lack of the inescapable realization that it will be exactly the same tomorrow night. Better than anything, no doubt, but so is a gramophone record, and I would never miss a concert on an opera simply because I had the performance by the same artists on disc for me, their names in the theatre, what a record is to a live performance.

It is also, I realize, a matter of custom and upbringing. In my youth, I spent so much time at music and the theatre that something had to go, and I therefore never acquired the habit of the cinema. The result is that I see, indeed, I have seen in total, very few films, and the number of those I have seen more than once is very small indeed; most of the Marx Brothers, some classics like *Citizen Kane* and *La Femme du Boulanger*, little else. And there is only one film I have seen again and again, as *Free As You Like It* or *Die Meistersinger*, and shall go on seeing just as I shall go on seeing those I have just seen it again, and I calculate that that must make at least a dozen times in all, and probably a good few more. It is *Les Enfants du Paradis*.

Of course, there is another reason for my love of this film. I first saw it in the mid-Fifties, when it first appeared in Britain—and when I was an adolescent. It hit me as hard as music. I saw it three times within a matter of weeks, and once a year or so for some time thereafter. No doubt it was the film's romanticism that appealed to me at that age, and no doubt the effect it had on me went so deep that it has never lost its hold, even when its romanticism did. But although such matters must be taken into account, they do not explain the magic of this film. What does explain it, is that which can never be explained. *Les Enfants du Paradis* is a masterpiece, a work of art of exceptional and universal quality, a voice that speaks directly to the human heart. "Where all that is not spoken is pure silence."



Shouts from the gallery in *Les Enfants du Paradis*: a film with an extraordinary history.

If you have never seen it (and that, it occurs to me, is an amazing way to start a sentence—would I entertain the possibility that my readers had never seen *Figaro* or *King Lear*? I had better summarize the plot. Partly based on the lives of some real characters from the Boulevard du Crime, (the French popular theatre of the nineteenth century) it tells of a woman who is loved by four men: the only one whose love she fully returns she loses, finds again, loses forever. Meanwhile the seeming life of the children of the gods—the play on words—"gods"

means the theatrical gallery in French as well as English—is deliberate, of course goes on; her one true love (Jean-Louis Barrault, becomes the most quite literally; certainly, as I sat in the Academy Cinema I found myself anticipating shot after shot, as I anticipate a loved phrase in an opera, a treasured line in Shakespeare, and I realised that I know this mighty epic of love and heart-break as well as I know the classics of the dramatic and lyric stage.

The film had an extraordinary history. Marcel Carné, who directed it from a script by Jacques Prévert, began shooting in 1943, when Paris was still occupied. I have heard it said that many members of the French Resistance are in it, as part of the huge crowd scenes, which provided useful "cover" for them during the day; one of the screen credits is for a man whose contribution to the film was provided "Dans la clandestinité". It was first shown in 1945, and must have been, for France, what the great days of the Old Vic at the end of the war were for the arts in Britain—a feast of colour and light and beauty and high style, after years of austerity, narrowness and dark. It does not date at all, and I don't see how it ever could, for though its nineteenth-century atmosphere is remarkably convincing, its truth and beauty are timeless, and even the flamboyant performance of Brasseur does not seem in the least

grotesque—as, for instance, do the records of players like Beerbohm Tree. As for the ending, which becomes almost surreal with the white mask of Barrault floating among the white-clad carnival crowd as he struggles to get through to the carriage which is carrying Garance away from him for ever (I know the scene almost frame by frame, and could tell you to a fraction of a second the point at which Carné cuts to the face of Garance, her gaze set on eternity), it has become a cliché in other hands since, but every cliché was newly-minted once, and the power of that ending—desolation amongst gaiety, separation in the midst of unity, the heartbroken in counterpoint with the carefree—is as great as ever.

The casting is a masterpiece in itself. My lack of knowledge of the cinema prevents me from putting names to many of the faces playing some of the lesser parts, but there is not one that is anything but perfectly fitting. I remember particularly the old-clothes man, who moves through the film like the shadow of death (he is at Barrault's elbow, still taunting, amid the crowd in that final scene): "mon pauvre Avril", chief henchman of the criminal, the loving Madame Hermine, proprietress of the lodginghouse, the manager of the Funambules mime-theatre, the blind beggar (I think that's Pierre Renoir and Robert Dhéry in the film somewhere, but I have never managed to recognize him—is he the manager of Lemaitre's theatre?), the plump bourgeois whose false charge against Arletty brings Baptiste-Barrault to her rescue and sets the whole chain of love in motion, the two epicene outsiders of the cruel Count.

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## LONDON DIARY

### Euro-tank down the drain

Not long ago there was great enthusiasm in Euro-circles for the establishment of a high-powered, independent think-tank—or policy research institute, to give it its fancy dress title—which would dream up clever answers to baffling Euro-problems like who should pay how much of the Community budget.

Now the scheme seems finally to have bitten the dust, with the new chief of the principal backer, the Ford Foundation of America, has decided to withdraw its promised support, running into several million dollars, and devote the money instead to the problems of Third World countries.

It appears that the Ford trustees, who under their then chairman McGeorge Bundy first put up the idea of a European Policy Research Institute, finally lost patience at a recent board meeting with the Europeans' inability to reach a decision on what sort of institute they wanted, and

whether they were going to match the Ford money with some Eurocurrency of their own.

In the words of the minute from the Ford trustees' latest board meeting: "In view of other important demands on the Foundation's financial resources, the Board concluded that it should not maintain the contingent designation of funds for this project established a year ago."

I gather it is all Perfidious Albion's fault, again. James Callaghan, when Prime Minister, strongly supported the idea, particularly as there was a strong chance of the institute being based in London.

Ford's first idea was to establish a purely British independent think-tank, but it was opposed by a clutch of this country's existing research institutes. So the plan was widened, and proposals for an all-European institute, not necessarily confined to the EEC, emerged.

With several million pounds of Community funds to match the Ford dollars, but he also aroused the interest of at least seven other European nations, including the Spanish and the Scandinavians.

But since then the Conservative Government has sent clear signals to Brussels that it does not share the previous incumbents' enthusiasm, and all the steam seems to have gone out of the plan.

Donoughue, now with the Economist Intelligence Unit, told me yesterday that the British volte-face was rather embarrassing, as it was the British who sold the idea so strongly in the first place. They envisaged a Euro-version of the respected Brookings Institution in the United States, much less academic than, for example, the European University in Florence.

"It is a great pity that it has not got to the ground, particularly at a time when Europe badly needs some fresh thinking on its major economic problems, like stagflation and the Community's budget," Donoughue said. "At the moment there is a vacuum in the EEC's economic thinking be-

tween the extremes of Friedman and Woodrow Benn."

But alas, in the words of the Ford trustees, "there is no present assurance that the project will come to fruition in the near future". No danger of an EEC brain mountain this year.

### Extra-ordinaire

And now, some more encouraging news of Britain's standing in Europe.

Whenever Robert Mapley visits cellars in Bordeaux from now on, they are supposed to bang on a barrel 12 times with an old vine root as he comes in. This is because Mapley, an enthusiast for whom wine is a retirement hobby, has just been installed as a Commander of the Bouteaux du Médoc et des Graves, the Châteaux owners' fancy-dress guild.

Mapley's claim to fame is that he was the most successful member of a British wine-tasting team which beat the French at their own game of spicing and guessing last year.

she can't be doing very well or there wouldn't be quite so many places in her favour.



Mapley, hitherto a stalwart of the improbable-sounding Epping Forest Wine Society,

assured British victory by reeling off correct identifications for five vintages of Cos d'Estournel back to 1929. The feat was reported with astonishment in the French press, and our man became a celebrity.

The owners of a leading chateau invited him as a house guest, and showed him off with pride last week to envious neighbours anxious to solicit his views of their products. Mapley, understandably, was happy to oblige. It is nice to know the French can be good losers once in a while.

A Home Office mole reports a new system devised by senior civil servants there for reading the mood of the Secretary of State, William Whitelaw. It involves counting the number of times he says "Dear, dear" in reply to any remark, suggestion, news or proposal. There were fears for his life the other day when he was heard to utter no less than 21 successive "Dears". But his staff were most understanding: the reason for his display was a memo from the PM.

### Porn ticket?

Under the old regime at the British Museum reading room, now part of the British Library, the celebrated collection of erotic literature was kept firmly out of sight and out of the pages of the library's official catalogue. Only those who knew of the existence of the secret cases hidden well away from view were able to consult these dangerous tomes, and only then if they could state exactly what they were looking for, and could prove that their purpose was one of serious research.

A huge new catalogue of the library's reference division is now being compiled for publication in 1984, and for the first time the forbidden fruits of erotica are to be included. Seekers after prurient delights should then be able to enjoy themselves.

But there is still little danger that the limited available seating will become crowded by short-sighted men in shabby raincoats. The business of obtaining a reader's ticket, never easy even in Karl Marx's day, is becoming ever more difficult as the library tries to stem the tide of intending readers' knock-

ing at its door. Even now pensive readers are discomfited if the books they wish to consult are available elsewhere.

Since the average provincial library still takes a rather naive view of pornography, it is a fairly safe bet that most of the British rare's erotic collection will be available elsewhere. Copies of such material, however, are bound up in the more obscure title erotic literature if they will plough through the new logue to find the key to forbidden cases.

A news item in last week's edition of Soviet Weekly *London-published* journal *Goskiz* from the USSR announced: "Soviet workers Dushanbe, Tajikistan, filled an order for machine guns returning from Afghanistan." Propaganda machine expects some of the copper wire will certainly need winding to make them acceptable to the folks home.

Alan Hamill

كندا من الأصل





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## MAKING MATTERS WORSE

no means clear that the is for reforming the Party's constitution which from the commission of a marathon weekend of ion will ever be imple- The final decisions lie party conference, which they will be deter- argably by how the major ast their block votes. As f the principal union were in the minority over kend in some of the key uch will depend upon they regard the outcome kage to be accepted in ety or as a collection of s each of which deserves idged once again on its t conference.

dict the outcome at this id be foolish, but it is ur would be best for the d the country. On the nicipal questions which nission has dealt with o method of electing the responsibility for the o and whether sitting ould automatically have go a full reselection pro- before every election— st course would be to rangements precisely as d before the last party e. This would mean that r would still be elected arliamentary party, that tfect would be deter- by the parliamentary p and the National e Committee together— ves a large measure of uthority in the hands ger—and that each MPquire a vote of confi- rance his constituency fion. Only if he failed e it would there be a lection procedure.

of the proposed reforms e an improvement on these arrangements. To aters worse, prolonged

constitutional wrangles would continue to divert the party from the more important task of sorting itself out for the future. Most of these changes could not be implemented until after the party conference of 1981. It is the practice for major constitutional amendments to be submitted to an conference for a vote on principle, and for the actual amendment to require a second vote the following year.

Only in the case of the proposed change for the reselection of MPs has the vote in principle already been taken. Last year's conference voted in favour of giving the NEC full responsibility for the manifesto—but what is now proposed is very different from that—and against changing the method of electing the leader. So, unless the conference were to take the improper and unforgivable course of changing the accepted practice in order to push these amendments through, the whole business would drag on until nearly the end of next year. This would have the added disadvantage of making it impossible for Mr Callaghan to retire before then without leaving his successor to be elected under the worst possible circumstances.

But though it would be much better to leave well alone, so far as these particular changes are concerned, it does not follow that all of them would represent a victory for the left. That would certainly be the case if a mandatory reselection procedure were to be introduced: the effect of this would be to make MPs more nervous of small constituency parties which can so easily be infiltrated by extremists. But it is much harder to be sure what effect the proposed electoral college would have.

The commission suggests that fifty per cent of its membership should go to the parliamentary

party, and twenty-five per cent to the trade unions. There seems, remarkably enough, to have been no discussion as to how the members should actually be chosen. But, given the present balance among Labour MPs and among the principal trade unions, it would not be unreasonable to expect the college that was the product of this weekend's discussions—which differs in its composition from the brainchild of the left—to have a right-wing majority.

This would depend largely upon how the representatives from the parliamentary party and the trade unions were chosen. If the assumption is correct, it would mean that in an early election the electoral college would probably choose the same successor to Mr Callaghan as the MPs by themselves would have done. But there might be a greater inclination to go for a compromise candidate in the mistaken belief that it was more important to unite the party than to present policies on the basis of which the country could be governed sensibly. There would also be the danger that any trend towards soggy leadership of the principal unions, along the lines of Mr Mostyn Evans at the Transport and General Workers, would have a magnified effect upon the party.

But the most likely immediate outcome would be an electoral college under right-wing control. For such a body to become the court of appeal for the manifesto—which is what is in effect proposed—might well be an advantage for the leader. It might well make it easier for him to resist the pressures of a left-wing NEC. So, while one would certainly not recommend the Bishop's Stortford package, one should not make it for granted that it represents the triumph for the left that some hope and others fear.

What is more, the link between sexual activity and seed-sowing having been ruptured, there no longer appears to be any cogent reason for limiting such activity to copulation—the natural act—as it used to be called. If the object of the exercise is simply and solely relational, then surely whatever the parties find relationally helpful must be legitimate. The degree of "kinkiness" is a matter for mutual agreement.

The spread of these opinions in the world poses searching questions for Christians. Some apparently think that the erosion of the traditional rationale entitles us to ignore the dominical and apostolic teaching; but how can we do that without compromising our claim to the name of Christian? The choice therefore seems to lie between the Roman policy of maintaining the old rationale by rejecting contraception and discovering a new rationale that admits contraception without entailing libertinism.

But is a new rationale there to be discovered? Or must we surrender to the view that sexual morality can be made intelligible to the "natural" man and see it rather as stemming from the Christian vocation to live the life of the age to come?

What is disturbing is that Christians seem to be making little sustained effort to tackle these questions. Instead we have committees and commissions foolishly presenting reports on homosexuality while the grounds of homosexual morality remain imperfectly understood. What could be more absurd?

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tionate reactions which ment of the Nine on the ast has aroused, both in d in some American to not seem justified by reading of the text. The ave not jettisoned Council Resolution 242, outtry. It is the first of ments on which they selves". Moreover, e specifically reaffirmed mmitment to "the right ne and to security of ates in the region, in-rael". All of the coun- e area, they say, "are to live in peace within ecognized and guaran-ers". The guarantees e provided by the Nations "by a decision ecurity Council" (which ey would have to be y both superpowers) necessary on the basis mutually agreed pro- isly what has aroused is not the statement as but its references to an rights, including the self-determination, and uly the one reference to sine Liberation Organi- But the right of self- tion is to be exercised t the end of "an late process defined e framework of the con- eace settlement". PLO is mentioned to make it clear that the as governing such a nt must apply to it as to all the other parties. s already the case in the t made on behalf of the e United Nations Assembly last September Irish foreign minister, d that Security Council ons 242 and 338, together principles set out in the at of June 29, 1977 ng "respect for terri- torial integrity ependence of every state

in the area and their right to live in peace within secure and recognized boundaries", must be "accepted by all those involved—including the Palestine Liberation Organization—as the basis for negotiation of a comprehensive settlement in which all the parties will play their full part".

It was already very clearly implied then that the PLO would have to be involved in such a negotiation. Now it has been made explicit. But in both cases the Nine are quite clearly stating their belief that a comprehensive settlement is only possible if all parties, including Israel and the PLO, accept certain basic principles, one of which is the right of every state in the area to exist in secure and recognized boundaries. One of those states is clearly Israel. Another might be an independent Palestine state, if that were the result of Palestinian self-determination—but this point the Nine have not yet spelt out.

The New York Times correctly diagnoses the essence of the problem as being "the agonizing tension between Israeli security and Palestinian rights" and accuses the Nine of simply asserting that to be reconcilable. That too seems unfair. What the statement does is to draw attention to the fact that it has not yet been reconciled and to call for greater efforts to reconcile it. Perhaps it can yet be reconciled through the autonomy talks being held under the Camp David agreement. That seems less and less likely, but in any case it could only happen if the atmosphere of the talks were transformed in such a way as to convince the Palestinians that they represented at least a possible route to self-determination, which is what the Egyptians continue to maintain. If the mass of Palestinians became convinced of this, the PLO would have to take account of it. If representa-

tives Palestinians did at some stage involve themselves in the talks, it would almost certainly be with the consent of the PLO.

The conflict will not be resolved simply by talks between Egypt, Israel and the United States, and the Camp David agreement does not say that it will. Indeed the Camp David agreement quite clearly calls for the involvement of other parties. But other Arab parties are not willing to involve themselves until they are given some assurances about the type of settlement envisaged. If all parties including Israel were to commit themselves clearly to the principles set out by the Nine, the situation could be transformed.

Clearly the Nine have no illusions that this will be easy to achieve, or that they could achieve it on their own. But they have decided to try to do their bit by making "the necessary contacts with all the parties concerned" to "ascertain the position of the various parties with respect to the principles set out" in their declaration. This could be a useful exercise if it is undertaken in a genuinely constructive spirit rather than with the aim of scoring points off one side or the other. It seems likely that Luxembourg, as the incoming president of the Community's council of ministers, will be entrusted with these contacts, with some help from the foreign ministries of other European countries. Meanwhile King Husain has arrived in Washington, and King Khalid in Bonn. Neither monarch is likely to be suddenly converted to the Camp David process in its present condition. But neither is unwilling to discuss ways in which it could be transformed into something more generally acceptable. In that context that the "European initiative" if there is one, may play its part.

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Berkshire,  
June 9.

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## Christianity and sexual ethics

From Canon G. B. Bentley  
Sir, Mr Longley (article, June 9) rightly calls attention to the gap between the sexual questions that vex Christians and those that vex the world, but he seems not to appreciate the quandary in which Christian moralists find themselves. We used to believe that the moral precepts of the Bible and Christian tradition, including those touching sexual behaviour, were simply illustrative of a natural moral law accessible to human reason and could therefore be made intelligible to the conscience of man as man. Today however there appears to be no way of making them intelligible to a society in which "fornication" and "adultery" have been almost emptied of meaning.

This is a consequence of the general acceptance of contraception. The old Christian rationale of sexual morality was based on the structure and the biological function of the sexual act: as a seed-sowing operation, that act ought to be confined within marriage, which alone was capable of providing the due environment for the birth and nurture of children. But contraception has created two sexual acts, the one generative, the other sterile and of relational significance only; and no one has been able up to now to explain convincingly why the latter should not be enjoyed in other relationships beside marriage. Increasingly the attitude for decency is being seen, in common with other civilised peoples, as demanding full employment.

What is more, the link between sexual activity and seed-sowing having been ruptured, there no longer appears to be any cogent reason for limiting such activity to copulation—the natural act—as it used to be called. If the object of the exercise is simply and solely relational, then surely whatever the parties find relationally helpful must be legitimate. The degree of "kinkiness" is a matter for mutual agreement.

The spread of these opinions in the world poses searching questions for Christians. Some apparently think that the erosion of the traditional rationale entitles us to ignore the dominical and apostolic teaching; but how can we do that without compromising our claim to the name of Christian? The choice therefore seems to lie between the Roman policy of maintaining the old rationale by rejecting contraception and discovering a new rationale that admits contraception without entailing libertinism.

But is a new rationale there to be discovered? Or must we surrender to the view that sexual morality can be made intelligible to the "natural" man and see it rather as stemming from the Christian vocation to live the life of the age to come?

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## A testing time for monetarism

From Professor Sir Bryan Hopkin  
Sir, The foundations of belief in the present monetarist policy seem to be crumbling day by day. Your issue of June 9 told us that Mr Terry Burns, the Government's chief economic adviser, has discovered that the workers base their wage claims not on the expected future rate of inflation but (most reprehensibly) on the actual inflation of the previous 12 months. This is not at all how they are supposed to behave in monetarist theory, where "expectations" play an essential role.

Secondly, ministers are now campaigning to persuade their unions to be moderate in their wage claims for the next round. If the monetarist theory worked this should not be necessary. Ministers plainly do not believe that the inherent force of their policy of monetary restraint will succeed by itself in defeating the inflation in an acceptable time-scale.

Thirdly, Professor Hayek (June 13) now says that "monetary reform" will only work if we first curb the power of the trade unions by taking away all their present legal privileges: a course far more drastic than the present or any other government's likely to embark on. If he is right, the present mix of policies cannot succeed; and if so, what is the justification for the hardships they are inflicting? Yours faithfully,  
BRYAN HOPKIN,  
Aberlin House,  
Cowbridge,  
South Glamorgan,  
June 13.

From Professor Lord Kaldor, FBA  
Sir, Professor Hayek (June 13) has done a great service by putting his finger on the basic fallacy of all monetarist thinking: by posing the right questions, not by providing the right answers. "I am still convinced", he says, "that, as far as economic causation is concerned, the value of money is wholly determined by the magnitude of the supply of money in relation to the demand for holding it. . . . But politically it is unfortunately true that by pushing up wages the trade unions can make it 'politically necessary' to increase the quantity of money, i.e. create a condition in which government believes it must do so".

The errors in this statement are that (a) it attributes powers to the "trade union" in this context, presumably the monetary policy, which means the Bank of England in conjunction with the Treasury, which under a system of credit-money (which largely consists of instant claims on non-existent cash) the authorities do

publish my account (which has not been challenged) on June 2. Granted we enter here on matters of judgment, I am content to be judged by the case deployed as evidence both in your columns and in Parliament: rather than by selective quotation. Particularly relevant are the dirty tactics used by Mind on the basis of the fact that the sub-judice rule forbade them to comment in public.

Nor must Mr Levin be allowed to get away with the assiduously painted image of himself as having judicial impartiality. He is, he would have us believe, the Denning of Gray's Inn Road. Not so. My experience is that when journalists of repute plan a highly personalized attack they at least approach their victim first to hear his side of the story. Never has Mr Levin approached me. Yet it is clear from two references in his article that he has gratefully received advice from the Director of Mind. A word with me would have shown one at







# THE TIMES

## BUSINESS NEWS

Recession  
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readful

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Stock Markets  
Iad 467.6 up 11.1  
Gilt 69.58 up 1.17

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3410 down 10 pps  
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N BRIEF

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the contract will mean  
jobs there are secure  
for 14 months.  
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a drilling company, was  
the launch of a drilling  
for Saipen AG, an  
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financial news, page 20  
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a statement by ICL is  
later this week.

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at Bayonne, New  
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to buy the 47.7m  
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between the two in-

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a oil price  
which supplies three  
t of United States oil  
ay decide to raise oil  
within a few weeks.

street higher  
e New York Stock Ex-  
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trage closed 1.36 points  
77.3. The dollar against  
the pound fell 1.3344. The  
was 0.565397.

## Foundry group dismisses 700 workers in reply to union sanctions campaign

By Clifford Webb  
Midlands Industrial  
Correspondent

Birmid Qualcast, the Midlands-based foundry group, has sent immediate dismissal notices to nearly 700 of the 900 employees at its Birmid plant in Quinton, and announced plans to close the site after a two-month confrontation with workers. The remaining 200 are to be made redundant.

The management's reply to a long campaign of "go slows" and sanctions has sparked off a bitter dispute with the unions. Last night Mr. Ron Marston, regional organiser of the Transport and General Workers' Union said: "The first thing we knew of this was when our members received immediate dismissal notices from the company on Friday. The unions received no communication from the company at all."

"Many of our people believe Birmid is using the dispute to close the place down and avoid paying redundancy money. If the company is in financial difficulties, why were we not consulted? We have been very helpful to firms which have taken us into their confidence in similar circumstances."

Mr. Marston said that in April when manual workers imposed sanctions in support of a 20 per cent pay claim. The most telling action was a blockade on all products leaving the plant, which makes wrought alloy parts for the motor, aircraft



Mr. Brian Fitton (left), deputy chairman, and Mr. James Insch, chairman, taking a hard line at Birmid Qualcast.

and general engineering industries.

Six weeks ago, the management, led by Mr. James Insch, chairman, laid off nearly 700 hourly paid workers for refusing to resume normal working. The men claimed it was a "lockout".

Last night a company spokesman said that hourly paid workers received a 15.3 per cent pay increase in August and it was "quite impossible" to entertain a further claim for 20 per cent from April 1 this year.

He said that before industrial action took place, management had consistently expressed its willingness to discuss a pack-

## Unions agree Shotton redundancy terms as Lonrho shows interest

By R. W. Shakespeare  
Northern Industrial Cor

Broad agreement has been reached between the British Steel Corporation and steel industry unions on the terms under which nearly 900 more workers will lose their jobs at the Shotton steelworks on Deeside over the next two weeks.

The final large-scale redundancies at Shotton where about 7,000 workers have already lost their jobs through the shut-down of iron and steelmaking and hot rolling operations—mean that by the end of this month the workforce in the remaining cold-fining plant will have been cut by 873 to 3,356.

The deal between BSC and the unions includes a percentage bonus increase for the workers who remain.

Although the basis of the deal has now been agreed after many weeks of negotiations, a number of issues are still unresolved, including the question of overtime—which management wants to abolish—and the controversial issue of introducing "clocking on".

The Shotton plant is the subject of a detailed report, drawn up by Mr. Derek Norton, chief executive of Lonrho's engineering division which owns the Hadfield private steelworks at Sheffield.

Mr. Norton and other Lonrho officials have been to Shotton to make a private inspection of the facilities and there have been suggestions that the company might be considering making a bid for the plant.

"The difficulty would be agreeing a figure," Mr. Norton said. "The sum of £150m was floated in the press by British Steel but the steel plant, including the finishing end is only worth about £2m in scrap."

Nevertheless, Mr. Norton appears convinced that a private management team could make a success of running the Shotton operations and that about 2,000 jobs could be recreated.

"We are so confident that we would take it on an ex gratia basis. If we did not make money, don't pay us. If we make money, give us a share of the profits."

Mr. Norton also said that whoever committed the nation to the Shotton finishing operations in their present form must have been "wrong in the head".

Lonrho is said to be ready to welcome other private entrepreneurs to join in a Deeside venture.

## Encouraging signs as TUC takes a closer look at Sir Keith's proposals

By Patricia Tisdall  
Management Correspondent

A government policy which concentrates on improving the overall economic climate rather than on supporting specific industries, won some sympathy from the TUC at yesterday's National Economic Development Council meeting.

Sir Keith Joseph, Secretary of State, said that the danger of subsidies was that they could frustrate desirable changes by prolonging uneconomic activities.

In his view there was no direct action the Government could take to help industry to become more competitive, to adapt to consumer needs or become more profitable.

The TUC is to submit its views on the policies outlined by Sir Keith in writing. Considering the ideological gulf between the TUC and the Government it was considered encouraging by NEDC observers that the policies were not immediately rejected.

Mr. Len Murray, general secretary of the TUC, agreed with Sir Keith that there was a dilemma between "picking winners and spraying money around" in the application of state aid.

At least three aspects of the policy outlined by Sir Keith are likely to be regarded as olive branches by the TUC. One

is a promise that the Government intend to promote the use of public purchasing as a means of making British industry more competitive.

Details of how this can be done are likely to be discussed at next month's NEDC meeting. However, Sir Keith may be looking to France which is using its state-owned telephone service to spearhead an ambitious programme aimed at making the country the world leader in products which combine the use of computer and telephone, as an example.

A second area of possible consensus is the acknowledgment that special assistance is needed to persuade international mobile projects to be located in the United Kingdom.

While the Government, through the EEC and the organization for Economic Co-operation and Development (OECD), is seeking to abolish such special investment incentives. We had to accept that our chances of securing internationally mobile projects would be diminished if we did not have the capacity to offer assistance in appropriate cases," Sir Keith said.

The TUC, while critical of its application is likely to support a shift in manpower policies towards retaining and housing mobility rather than in subsidised retention of jobs.

"The Government recognizes that people feel apprehensive about industrial change which may alter existing working practices," Sir Keith said. "It accepts that it has an important role to play, for example in the provision of the services of the Manpower Services Commission, and the education system."

However, he added that "while the Government is willing to help alleviate problems associated with change, it is anxious not to do this in a way that prevents the change occurring."

In a paper summarizing continental measures to facilitate industrial adaptation to new conditions, Mr. Geoffrey Chandler, the director general of NEDC, said that there has been a definite shift from negative policies of job retention to positive policies aimed at promoting the occupational and geographical mobility of labour.

A perceptible trend towards across-the-board policies of government support was observed on the continent, Mr. Geoffrey Chandler said. "There has been a growing disenchantment with selection born of the past failure of government officials to 'pick winners'."

It was recognized that powerful lobbies often led to spending money on "propping up" between the CBI and the TUC shortly,

## Big slump in demand and strength of sterling result in £3.6m pretax loss at Lesney

By Richard Allen

Lesney Products, the troubled Matchbox toy group, yesterday revealed a fall into pre-tax losses of £3.6m in the year to the end of January.

This compares with a previous profit of £1.5m and provides a further glimpse of the slump in the industry, which at its most extreme has contributed to the collapse of Dunbee Combex Marx, a rival group.

Interest charges alone last year absorbed £5.6m as borrowings soared to finance stocks stranded at the group's warehouses by an unexpected fall in demand during the crucial 1979 Christmas selling season.

Lesney admitted yesterday that it failed to cut back production quickly enough, with the result that at the end of the year stocks were "considerably in excess of planned levels".

The group earlier this year cut its 7,500 workforce by a fifth and introduced short-time working, at its factories. The cost of this move included an exceptional debit of £2.1m, which helped to increase attributable losses to £4.7m.

Lesney has also announced details of a management reshuffle. Mr. Leslie Smith, acting chairman since the departure of Mr. Paul Tapscott at the

end of the last financial year, is to step down in favour of Mr. Gordon Hay. Mr. Maurice Albrige is to become finance director.

Mr. Smith, who is to remain chief executive, said last night that the appointment of the two new directors was designed to strengthen the board.

Details of the group's borrowings would not be available before the annual report due next month, he added, although it is thought that debt doubled to around £42m last year.

He discounted suggestions that the group was planning a reshuffling of its borrowings although he said: "Our ban-

led by Midland, are fully in touch."

"We are very, very confident about the trading future. We have now turned off the production tap and we are confident that we can reduce our stocks and borrowings to bring the group back into a strong trading position by the year-end."

Lesney was also hard hit last year by the strength of sterling—the group exports around 80 per cent of its production—and reorganisation losses in Japan and West Germany.

The group's shares fell 2p to 15p yesterday on the announcement.

Financial Editor, page 19

## Court pledge on assets by Forlink

By Philip Robinson

Forlink, a subsidiary of Bamfords, the former agricultural machinery manufacturer, promised the High Court yesterday it would not dispose of any assets of its parent company without permission from the court. Forlink acquired the assets under an agreement with the Bamfords' board in May.

The undertaking was accepted by Birmingham steel stockholders Gardner Steel, a creditor for £50,802, whose petition for the compulsory winding up of Bamfords is due to be heard on June 30.

However Mr. Justice Vinelott rejected an application by Gardner to allow Bamfords to file an affidavit listing the number of directors notified of the service of the petition, which was lodged six days before the "living down" agreement was made between Forlink and Bamfords.



Photograph by Jonathan Player

Mr. Daniel Serota, for Gardner Steel, said there was suspicion that evidence about whether directors had been informed of the petition had been deliberately withheld.

The judge refused to call for further evidence after counsel for Bamfords said the omission was due to lack of liaison and a "chapter of accidents". He continued an earlier order enabling Bamfords to continue limited trading until the hearing of the petition.

In a sworn affidavit, read in court Mr. Leslie Riley, Bamfords' managing director said: "Although three executive directors of the company were aware of the existence of the petition, they were not made aware of its significance or that it would affect the proposals for living down the assets of the company."

Airline protest: British Caledonian employees staged a protest yesterday against the Government's threat to withdraw the airline's newly won licence to operate on the London to Hongkong route. Off-duty pilots, air hostesses and engineers marched across Vauxhall Bridge to Westminster behind the British Caledonian pipe band to urge Mr. John Nott, the Secretary of State for Trade, not to bow to political pressure from Hong Kong.

## Alfred Herbert to sell another subsidiary

By Edward Townsend

Alfred Herbert, the struggling United Kingdom machine tool group, has reached agreement in principle to sell the Herbert Sigma measuring and inspection equipment operation at Letchworth, Hertfordshire.

Mr. Peter Rippon, the group chairman, yesterday declined to reveal the identity of the purchaser. Negotiations are continuing and we have been asked to say nothing at this stage," he said. It is believed, however, that the buyer is a non-British European company.

Herbert Sigma has been a profitable part of the group and was considered a prime choice for disposal. It has a turnover of about £5m a year and produces small instruments, gauges and switches such as high precision aircraft controls. The Herbert group, owned by the National Enterprise Board, has now sold, reached agreement in principle or is discussing the sale of five of its fringe operations. Disposals are the key to the success of its "final" survival plan, announced by Mr. Rippon in January, which involves a major streamlining of activities and a further 700 redundancies.

Herbert, which has received £43m of public money since

1975, was told at the end of last year that it could not expect further state support and must be self-financing. Subsequently, the NEB gave the Herbert board full responsibility to dispose of assets.

These include Herbert Numerical Controls, the high technology systems subsidiary at Woking in Surrey. Mr. Rippon said that heads of agreement had been signed with a "large British manufacturer" for its sale and the deal was expected to be concluded within the next two weeks.

At one time, Mr. John Bloomfield, the Herbert NC managing director, was attempting to raise finance to buy the company, but this now appears to have failed.

Earlier this month it was announced that Clarkson International Tools, part of the Thorn EMI group, was to buy Herbert Tooling of Coventry for an undisclosed sum. Neither this sale nor that of Herbert Sigma is expected to lead to redundancies.

The drilling, boring and milling machine business at Lutterworth is also being sold. These are made under licence for DeVlieg, an American company, which has agreed to take over the operation.

Discussions are now taking place for the sale of Herbert's Mackadown Lane plant in Birmingham.

"The board uses levy money to meet the cost of inflation-proof salaries for a large number of its staff, to increase the amount spent on administration and to enlarge the emergency fund. It is in our view, totally wrong for employers to be denied what is in effect their own money which is needed for vital training."

The RHA complains that the board creates difficulties both about paying grants to companies which carry out training, and exempting others from paying levies on the ground that they carry out adequate training of their own.

The result is that, at a rate of two per cent, transport has almost the lowest exemption rate of any industry, though about 70 group training schemes are operated by companies in the organization.

The RTTB is accused of "unnecessary duplication of resources" and setting up activities in competition with the industry's own companies which contribute funds to establish these activities, and whose own training was granted aid from the funds.

The taxpayer as well as the industry would benefit if hauliers were left to provide their own training and the RTTB was confined to advice on a fee-paying basis, the RHA says.

The board, which has a staff of nearly 900 and spends £39m a year, declined to comment last night. It hoped to consider the RHA allegations later this week, a spokesman said.

PRICE CHANGES

|         |             |              |             |
|---------|-------------|--------------|-------------|
| Stores  | 14p to 425p | Stock Conv   | 14p to 420p |
| in Bros | 22p to 228p | Sum Alliance | 16p to 640p |
| Bids    | 25p to 341p | Thorn EMI    | 20p to 35p  |
| ask     | 14p to 32p  | Voeper       | 22p to 160p |
| 1 Tel   | 12p to 332p | WGI          | 20p to 110p |

|            |             |                |            |
|------------|-------------|----------------|------------|
| ham        | 7p to 207p  | Harrisons Cros | 13p to 77p |
| old Fields | 10p to 479p | Hewden-Stuart  | 10p to 50p |
| Minings    | 68p to 854p | Millford Docks | 5p to 133p |
| and        | 12p to 750p | Reed Int       | 8p to 196p |
|            |             | Venterspost    | 47p to 67p |

THE POUND

|         | Bank    | Bank  | Bank   | Bank   |
|---------|---------|-------|--------|--------|
|         | buys    | sells | buys   | sells  |
| a \$    | 2.08    | 2.01  | 11.70  | 11.20  |
| Sch     | 30.45   | 28.75 | 116.50 | 110.50 |
| Fr      | 69.00   | 65.50 | 2.12   | 1.98   |
| S       | 13.72   | 12.65 | 163.50 | 153.50 |
| Sw      | 13.15   | 12.60 | 10.03  | 9.58   |
| Nkr     | 8.82    | 8.42  | 3.24   | 2.72   |
| DM      | 9.85    | 9.45  | 2.38   | 2.32   |
| YDM     | 4.27    | 4.05  | 65.00  | 68.00  |
| Dr      | 102.00  | 97.00 |        |        |
| Dr S    | 11.65   | 11.20 |        |        |
| Fd      | 1.13    | 1.09  |        |        |
| 1990.00 | 1990.00 |       |        |        |
| 525.00  | 500.00  |       |        |        |
| ands    | 4.68    | 4.45  |        |        |

## A new electronic till to add up the drinks and calculate stocks

## Microchip rescue for the harassed barman

Patrons of bars who suspect that their orders are miscalculated by harassed barmen will be relieved to hear of a push-button invention which can be installed behind the bar, although they will be saddened to hear that it will also enable brewers to put up prices at the stroke of a key.

The barman presses a specific button for the drink he is serving and another to identify the customer. The device adds up the total cost of the round and displays it in front of the customer while automatically deducting the drinks from stock totals.

It was conceived by a hotelier and has unsurprisingly, cynics would say, attracted interest at the Scottish Development Agency, which has said it would provide secondary finance if it is required.

Mr. Ralph McLean thought of the idea, although he was helped by the electronic expertise of his cousin and the mathematical skill of his son. The bar and stock management system was designed by Zonal Retail Data Systems and is the latest electronic point of sale controller to appear on the market for the retail trade. It will be known as the LT80.

The bar manager sets the drink prices by programming the microprocessor for his prices. The unit can handle 20

preset drinks and has blank keys which can be set for cigarettes, nuts and crisps.

The barman of the future will not be subject to accusations of miscalculations; he will not even have to know the price of drinks because he merely has to press the appropriate key.

The suspicious customer will be able to check his receipt with the aid of a small printer, attached to the unit, which will produce an itemized receipt including the barman's name.

Brewers have one of the most complicated points of sale operations in the retailing trade and a number of breweries are interested in the

device, although the Scots seem most interested.

Zonal intends to develop full production in Scotland and in the next year the company hopes to produce 1,000 units at £25 a week each. Zonal estimates that production of the unit could create 100 new jobs.

The system will provide a series of confidential reports for the manager, who will have sole access to these.

The catch for the customer comes in that if the device is connected to a central computer the brewery will be able to check all its outlets and in-flict price rises instantly.

Ed Johnston

THE ALBERT FISHER GROUP LIMITED

INTERIM STATEMENT (Unaudited)

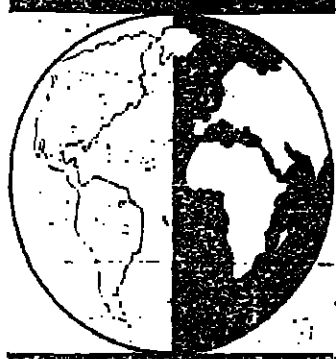
|                        | 6 months  | 6 months  | 12 months |
|------------------------|-----------|-----------|-----------|
|                        | 1979      | 1978      | 1977      |
| Turnover               | 2,107,368 | 1,977,140 | 4,449,900 |
| Profit before taxation | 37,632    | 38,185    | 95,182    |
| Taxation (estimated)   | (19,600)  | (18,600)  | (51,456)  |
| Profit after taxation  | 18,032    | 19,585    | 43,726    |
| Dividends              |           |           | 12,500    |

Sales for the comparable period of the previous year have been considerably increased but although a similar earnings figure was achieved profitability in relation to sales was not fully maintained. Trading is continuing at the higher level, and with the better months still to come results for the latter part of the current year should show an improvement on those now submitted for the first six months.

In spite of many obstacles encountered in present trading conditions I look to a satisfactory final result.

FRANK HAWTIN  
4th June, 1980





## 7,000 face redundancy at AEG Telefunken

AEG Telefunken will reduce its domestic workforce by 7,000 in 1980 from 125,000 at the end of 1979, Herr Heinz Diers, the chairman, told Der Spiegel. He said further reductions would be inevitable in future years in areas where microelectronics is gaining a foothold.

The introduction of electronic typewriters, which take half as long to produce as electro-mechanical typewriters, had made substantial redundancies or short time working inevitable, he added.

Herr Diers did not rule out the possibility of cooperation with some other company or even the sale of the Telefunken division.

### Tourist spending

An estimated 15 million West Germans will spend about 35,000 DM (£8,600m) abroad this year—about 20,000 DM more than the foreign tourists will spend in West Germany in the same period, according to the German Banking Association.

### World Bank lending

The World Bank is expected to lend \$1,200m (£12.8m) to developing countries for oil and gas exploration per year by fiscal 1983, Mr Bernard Chaudet, the bank's vice-president, said in Easton, Maryland.

### Airline lay-offs

United Airlines will lay off 360 pilots by the end of this year and 800 flight attendants in September, because of an anticipated decline in passenger traffic, the company announced in Chicago.

### Loan for Poland

Italy will extend an additional \$360m (£153.8m) credit line to Poland primarily to finance imports of Italian industrial equipment, Italian officials said in Rome.

### £190.8m trade gap

The overall balance of payments deficit in the Belgium-Luxembourg Economic Union widened to £12,500m Bfr (£190.8m) in February from £2,200m Bfr the previous month.

### Tokyo-Iran talks

Amir Nasser Koochyar, Iran's representative for a joint Japan-Iran petrochemical project, has arrived in Tokyo for talks with his counterpart on the \$3,300m (£1,410m) complex on the Persian Gulf.

### \$5,731m energy search

The Japanese government plans to spend 2,900,000 yen (£5,731m) in its search for alternative energy sources like geothermal development, coal and wind power in the next decade to reduce drastically the nation's dependence on oil.

Consumer resistance to wooden-based homes gradually being overcome

## Rise of the timber frame house

While construction industry leaders fight against further public spending cuts in the corridors of Whitehall and Westminster, radical changes are taking place on Britain's building sites.

Five years ago, the number of timber frame (not to be confused with timber clad) homes built was negligible. Last year, the accounted for about 15 per cent of all houses built, and the most recent forecasts suggest that by 1982 more than half of all new homes will be timber frame. The timber frame replaces the inner skin of exterior walls and the conventional load-bearing block partition walls.

Even the British Woodworking Federation admits that it is surprised by the pace with which timber frame homes have become popular. Over the years proponents of the system have worked hard to overcome consumer resistance which has focused on fears that timber frame buildings were less permanent than conventionally built homes and were a greater fire risk.

The federation believes that these "myths" have now been dispelled—and it points to the readiness with which building

societies will now advance mortgages on timber frame homes.

But the switch, supported by companies like Wimpey, Barratt and Waters, has come about because the industry has found the financial arguments compelling.

On-site labour costs and potential problems can be significantly reduced. Not only are skilled bricklayers, and other craftsmen expensive, they are also difficult to recruit—why this should be when so many construction workers are jobless remains a mystery. Timber frame building reduces the amount of brickwork required by up to a half.

Because timber frames can be brought to site ready assembled, building time can be cut by about three quarters to as little as five weeks. For the builder it means that cost calculations are less vulnerable to inflation; there is greater design flexibility; programmes are less likely to be disrupted by bad weather and completion can be matched to sales targets.

If costs can be contained there is the possibility of cheaper homes. But timber frame construction brings other benefits to the buyer. Because it is "dry" decorating can be carried out almost immediately. The woodworkers also claim that there

are energy savings. Brick and block-making require a lot of energy. Timber frames can reduce heat loss through walls by up to a half and the federation claims that if all homes were timber frame savings of up to £10,000 on Britain's fuel bill could be achieved over the next 20 years.

Mr Peter Shapcott, the British Woodworking Federation's director, says that timber frames are taking a much bigger share of a much reduced market. Not many more than 160,000 homes of all types will be built this year against 220,000 in 1979. But, he says, "timber frame will be the building style of the 1980s. As soon as the mortgage and economic situation eases and the housebuilding programme improves, timber frame building is bound to show a significant surge."

Savory Mills, the London brokers, agree. In a study published recently they suggested that, while timber companies might benefit, losers could include brick making groups and block makers.

Sadly, most of the timber is imported. So to the losers in the timber frame revolution must also be added Britain's balance of payments.

John Huxley

## Anger over British monopoly of cheap North Sea chemicals

By John Huxley

British-based petrochemical companies have been accused of combining to ensure that "outsiders" are prevented from gaining access to cheap North Sea feedstocks.

The General and Municipal Workers' Union has criticized multinational companies who oppose plans by American "outsider" Dow Chemical to set up an ethylene cracker at Nigg Bay on the Cromarty Firth.

Mr David Warburton, a national industrial officer of the G.M.W.U., says that the companies prove they are "defenders of a sectional monopoly interest, unfit to handle the strategic decisions which face the industry" by lobbying against the proposals.

In a policy statement on the use of North Sea feedstocks, liquid gases, Mr Warburton

welcomes the Dow plans. He says that if sanctioned they would mean a £500m investment, the creation of thousands of jobs in construction and many in the chemicals sector.

"Most important of all, it would boost the United Kingdom's ethylene capacity and our ability to exploit to the maximum extent secure feedstock supplies."

Government sanction for the plan should, of course, make participation in supplies from the new (gas gathering) pipeline conditional upon the construction of an ethylene plant at Nigg Bay, rather than the export of natural gas liquids to the Continent," Mr Warburton said.

Dow's proposals, which remain tentative, depend upon access to gas liquids through a North Sea gas-gathering pipeline system. A decision to go

ahead with such a system, at a cost of up to £2,000m, is expected to be made soon.

British-based petrochemical companies such as Shell Chemical, ICI and BP Chemicals, have made their concern over the Dow plan well known in Government circles. Their unease arises partly from potential over-capacity for production of ethylene.

Yesterday, industry management and union leaders had discussions with Sir Keith Joseph, the Secretary of State for Industry. They told him that last opportunity to cut back on imports.

A report produced by the sector working party of the National Economic Development Office, says that if imports are cut, the Government's share of the EEC plastics market will be well below available capacity.

## Builders oppose cash 'freeze'

By Our Industrial Staff

A cash "freeze" on local authority construction would sound "like the death rattle of the Government's economic policies," Mr Kenneth Cooper, director-general of the National Federation of Building Trade Employers (NFBE), said yesterday.

Steps being considered by the Government were indicative of panic, he said, and to consider such a moratorium was a confession as to whether the

The NFBE and the Federation of Civil Engineering Contractors (FCEC), have written to the Prime Minister expressing their alarm at reports, confirmed by ministers, that a moratorium is being considered to keep down public spending.

They say that such a policy would mark a return to the "stop go" measures of previous administrations.

## Timely warning for small businesses

From Mr Peter Gorb

Sir, David Storey's article which sounds a warning note about small business is timely; particularly his comments on the regional nature of the unemployment problem and the recognition that without regional guidance, small business growth is likely to exacerbate rather than ameliorate the unemployment problem.

He could, of course, perhaps have strengthened his argument by pointing out that the vast proportion of small businesses have local markets, whether they sell to larger companies or direct to the public. The successful entrepreneur may happen to live in the South-east but his success is probably the outcome of the higher demand for his product in the successful South-east.

It is worth pointing out that

there is one exception to this overriding rule. Some of the inner city areas in the South-east present social problems which arise from the close proximity of deprivation and affluence. It should be possible to turn that disadvantage to an economic opportunity.

A research study now being undertaken by my colleague Peter Wilson at the London Business School, on a particular inner city area in the South-east, suggests that the best rewards for efforts to promote small business are likely to be in these areas.

Yours faithfully, PETER GORB, Director, Institute of Small Business, London Business School, Sussex Place, Regent's Park, London NW1 4SA.

## Cooperation between authorities and industry

From Mr R. M. Otten

Sir, Your report of June the Secretary of State Environment's scheme for cooperation between local authorities and industry and commerce experimental basis gives the impression that this is an idea.

We are engaged in it into the economic role of authorities and from I think we have gathered clear that in many countries there are mechanisms, enable local authorities representatives of local interests to develop initiatives on the needs of the economy.

The effectiveness of initiatives of this kind will vary, but there is no doubt that in some areas they have made a significant contribution to the well-being of the economy. For example, in the case of the long existence of an Industrial Advisory Committee comprising representatives of business groups and industry, academics, trade union services, community estate agents, trade union councillors, officers, M.P.s, the press, this forum has others like it through country have become important means of liaison between a local authority and the economy of its area.

This would appear to be a Government belatedly to innovations successful developed by enterprising authorities.

Yours faithfully, R. M. OTTEN, J. M. TEMPLETON, Department of Political Science, Sheffield City Polytechnic, Pond Street, Sheffield S1 1WE, June 12

## London Transport's travel incentive scheme

From Mr L. J. Watmore

Sir, I am not sure if I fully understand London Transport's travel voucher scheme, but it seems that where companies are large enough to buy more than 25 season tickets for their employees then the cost of those tickets will be reduced substantially and the employees themselves may benefit by a free perk. I ask the following questions:

1. Since London Transport is publicly owned, how can it be right that two commuters will be asked to pay totally different fares according to whether they work for a large or a small business (and the former enjoy a tax free perk in the bargain)?

2. Is this yet another blow to small businesses and the self-employed in that they will not only pay the full fare, but will inevitably need to subsidize by

increased fares the body of fellow workers who, by accident of employment, are getting travel on the cheap?

3. Will small businesses (ie commuters) be at a disadvantage when recruiting labour, that they will be unable to offer the same travel/tax advantage as the larger companies?

4. Is London Transport's motive for introducing this scheme to convert more workers to train travel, or is this a means of muting the public outcry when the next substantial increase in fares is announced?

Yours faithfully, L. J. WATMORE, 59 Warren Avenue, Bromley, Kent, June 9.

## No danger in EEC draft directive on advertising

From Mr G. Scott

Sir, In today's edition of The Times (June 13) Mr Victor Ross, president of the Association of Mail Order Publishers, is reported as saying that the EEC draft directive on misleading advertising is "potentially dangerous" and in any event contravenes Article 189 of the EEC Treaty.

The provision he objects to is that complainants against misleading advertising should have better access to the courts. What is potentially dangerous about this? Article 189 is alleged to "preclude a directive from specifying the means by which member states achieve its objectives." But the draft directive does not say exactly how access to the courts is to be provided. That is indeed left to the member states.

Each member state can be paralleled in many other directives, some of which are in fact more detailed in their provisions. It certainly does not contravene Article 189.

Yours faithfully, GEORGE SCOTT, Head of UK Offices, Commission of the European Communities, 20 Kensington Palace Gardens, London W8 4QQ, June 13.

## Low productivity and management overmanning

From Mr Michael Ivens

Sir, Your report (June 13) Mr Roy Close, director-general of the British Institute of Management, as calling for "some kind of forum in which public debate can indicate the parameters for responsible action."

This should be rejected, and not only for the use of the time, some and fashionable word "parameters". Since the war, British managers have probably belonged to more associations and participated in more conferences and forums than any

other managers in the world. It would be unkind and not completely accurate to suggest that there is a correlation between this and Britain's low productivity and high over-manning. But surely the penny has dropped and British managers must realize that their job is to get on and produce results?

Yours faithfully, MICHAEL IVENS, Director, Aims, 40 Doughty Street, London WC1N 2LP, June 13.

## Airmail service

From Mr Anthony Vandyk

Sir, Many businessmen are concerned about the deterioration in airmail service between Britain and continental Europe. At present there are seven direct flights daily from London to Geneva my letters take an average of five days to arrive; sometimes they take over a week.

It would be enlightening to know where the delay occurs. Is it in sorting offices in England? Is it at London Airport? I am certain that the delay is not attributable to the Swiss post office since my experience with the airmail service in Switzerland is that delivery from any one point in the country to any other is invariably accomplished in less than a day.

Yours sincerely, ANTHONY VANDYK, 1 rue Marquis, 1206 Geneva, Switzerland, June 13.

## Economic sense

From Mr R. Cleary

Sir, While recently rereading Robert Lekachman's *The Age of Keynes*, which dates back a mere dozen years, the following statement refreshed me with its air of conviction, its claim to unquestioned approval by contemporaries, its economic sense (unclouded by the Friedman, Keynes and Thatcher to come).

Put to the choice, no modern government would care to restrict its tools against depression to monetary policy. All sophisticated administrators strive for the appropriate, efficient mixture of monetary and fiscal measures. Haven't times changed?

Yours faithfully, R. CLEARY, Lecturer, 38 Park Street, Winterton, N. Devon, S. Emswilde, June 11.

## Looking in the right place for talent

From Mr K. Brobyn

Sir, Mr Alan Forsyth (Letters, June 10) is looking in the wrong place for his managerial talent. The lower middle managers working in higher companies will stay where they are (under induction and trial, as Mr Forsyth describes) until they succeed to senior management, or will leave only if they see failure approaching.

Senior managers who have maintained and protected their own individuality during the earlier period of induction and trial will not wish to go through that again with Mr Forsyth's company. The greater freedom of expression, experiment and authority which comes with senior management has been hard-earned and will not be given up lightly, and any such offers or sought must satisfy that freedom.

Mr Forsyth still has choice; he can take on a young person from one of the colleges and mould him in his own image (the general tone of his letter suggests to me that that is what he really seeks) or he can negotiate with a senior manager from another firm who will be older, expensive, and have a mind of his own.

Better still, there are plenty of experienced senior managers who have suffered redundancy (which must not be confused with lack of ability) again probably older than he has perhaps considered, but they too have their price.

Yours faithfully, KEITH BRADY, 1-2, Lewfield Road, Caversham, N. Reading, Berks, June 12.

## Oil surplus benefits for all

From Mr K. G. Hodges

Sir, I was intrigued to read the article by John Greve under the title "The oil surplus could help us". It was not quite clear to me that the industry tries were to be indexed higher rate than inflation in order to compensate for the loss of the value of the developing countries' oil. I assume that this was intended, otherwise the oil funds could not be indexed in real terms.

It is interesting to speculate what might be the consequences of such a distortion of the oil mechanism. Taking the oil surplus into account might expect the following:

1. The oil countries have an incentive to increase oil output, because oil is ground is no longer worth the proceeds of sale.
2. The industrial countries have an incentive to their oil deficit, since money debt is no longer a source of a depreciation. This might be achieved by either:

- a) Increased efficiency use of power or other low cost energy.
- b) Reduced consumption.
3. The developing countries have an incentive to increase their oil output, because oil is ground is no longer worth the proceeds of sale.

I refrain from indicating whether any one of these sequences is advantageous or otherwise since the answer depends on your philosophy which group you believe. Furthermore the whole thing is far more complex than the simple suggestions. Yours faithfully, K. G. HODGES, Oak End, Tye Green Village, Harlow, Essex, June 11.

## Executive partitions and speech privacy

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## CHOOSING THE RIGHT GEMSTONE INVESTMENT PLAN MEANS KNOWING WHO CHOOSES THE RIGHT GEMS

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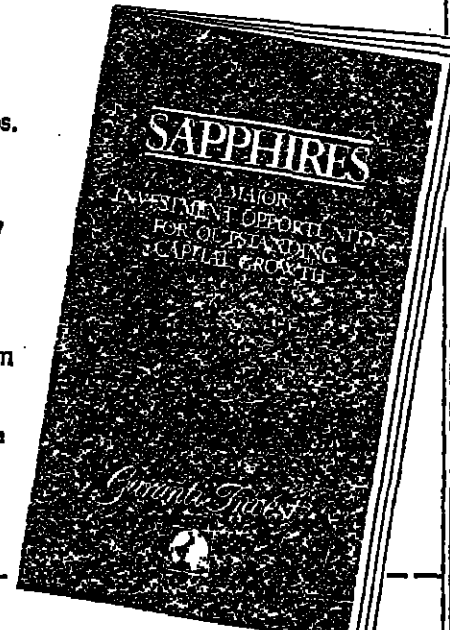
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### Energy management by microprocessors

Ferranti Instrumentation, Moston, Manchester, has produced a microprocessor-based energy management system which monitors both consumption and demand.

It is called Cedrec (Computerized Electricity Demand Realtime Energy Control) and it is the basis of a family of products.

Monitoring and control of the rate of electricity demand as well as of the total consumption is important for industrial users who pay two-part tariffs. The first part is for energy consumption and the second part is for demand—the average power consumed over a fixed period.

Demand reflects the capital costs of the generation and distribution system required to supply the electrical energy. It is usually between 10 and 50 per cent of the electricity bill.

The Cedrec units achieve optimum energy consumption within a specified target demand by continuously calculating the electrical load that the user may take.

The user can operate his plant at the lowest cost in terms of demand and the supply utility is able to give maximum energy at minimum cost—at the highest possible load.

Kenneth Owen and Bill Johnstone



BY THE FINANCIAL EDITOR

## A boost now from the trade figures

ay's trade figures were just the sort of encouragement financial markets were looking for to keep the recent upsurge strong. After April's £214m deficit, turning into a surplus of £32m on the account, and the trade balance a similar trend with April's £264m bringing to £18m in May.

surest sign that the economy is in the way financial markets want comes in the import figures with down 44 per cent in the March to April compared with the three months

the underlying picture looks better with the restocking after the like estimated to have had an adverse effect of £110m in May after a broadly impact in the first three months.

the gilt-edged market has shrugged week's disappointing banking figures suggested that the authorities have m for manoeuvre on interest rates early exhaustion of the long term provided a solid foundation for the board rises.

may well have been a certain of the herd instinct among funds worried about losing out in the ally of the last two weeks in yesterday's point rise to 467.6 in the FT-30 index but there is no doubt that have convinced themselves they through the tribulations of the next so more clearly than even a few

he wire losses of £3.6m (against profits of was worse than expected and the st about 2p to 15p which is some w the year's high. Moreover, it is fraction of last-year-end's stated share asset value (now presumably plered) and provides a fair indicat he extent of the market's recovery

olders will now have to wait for al report to see how badly Lesney a ravaged by the stock build-up llowed the group's failure to cut-duction quickly enough when virtually collapsed in the second-

is clear is that interest charges to £5.6m last year and it is apparent rowings have doubled to around ere they now exceed shareholders' tion now is whether the extreme of the toy industry are close to come and whether a strengthened ent team at Lesney, having brought n to a near standstill, can run-cks quickly by selling into a hope-ving retail market.

orks optimistic. There is little sign turn has come with high interest uring customers from ordering and strength putting particular pre-ort groups like Lesney.

the side of speculators is the fact ney has survived toy industry s like this before; that its bankers rently lending full support and that Matchbox product is still a name eoked with (although competition die-cast market particularly from 1 producers has become fierce).

or other hand the fact that would-be or assets of the collapsed Dunbee Marx group have yet to materialize, ppear to rule out hopes of a bid an early end to Lesney's current

ing profits ie pace of its results yesterday Hambros ad been among the best performers rong merchant banking sector. 3 profits figures were comfortably 1er end of the market's expected. After tax and extraordinary items are up from £11.9m to £12.1m in r to the end of March but the t marginal increase conceals some ng swings and roundabouts.

for noney as I am. I did not ask because I was more into to qualitative. Whatever it was, it looked like our man would do it superbly well.

"Is this how you say good-bye to your superior in Britain?" asked my companion. For a moment I did not answer, lost in reverie at the effect on commuters at Waterloo of seeing 40-odd Times journalists bowing out a superior. "Er, not quite...", I began.

My bemusement at being in Kyoto at all was compounded by the half-bottle of Chateau Mercian set before me in the Joy Grill of the Kyoto Hotel.

Capital gains which last year had been a major feature of the results, and which Hambros argues are part and parcel of its business, are now down from £4.75m to £1.57m of which a third has been accounted for by Berkeley Hambro, the property company in which the group has a 45 per cent stake.

Extraordinary items are, however, up from £10,000 to £726,000 thanks to capital profits made on an associated shipping company which has now been sold.

But stripping this out leaves net profits up from £7.1m to £9.8m. This includes a sharp improvement in the disclosed banking profits which more than doubled from £1.4m to £3.1m.

But the problem here is that Hambros has made in the past substantial withdrawals from its inner reserves and has been replenishing these ever since.

The Norwegian Government no longer guarantees shipping losses but Hambros has not included in its profits any interest on shipping that it is not confident of getting this year.

And overall, Hambros claim that the arrangements for the repayment of the shipping loans are working to plan.

Hambro Life, in which the group has a 45 per cent stake, has already revealed its results and the group's share of profits—all of which are paid in dividends—rose from £3.2m to £4.8m.

For the time being Hambro Life is not only the market leader in its field but does, obviously, benefit from consistently higher premiums boosted by inflation.

The board's confidence is underlined in a 51 per cent dividend increase, where the shares yield a modest 5.2 per cent at 454p. Merchant banks may face increasing competition in the long run but for the time being at least are on a better growth track.

Several have diversified into profitable activities after the poor performance of the past few years. And with a stronger pound and the prospects of lower interest rates they look set for improved profitability this year at least.

Dawson International Riding the textile cycle Those who clothe themselves in cashmere evidently do not feel the pinch like other consumers and although Dawson International has felt the loss of rich tourists in the United Kingdom, it has chased the wealthy overseas with fair success.

Knitwear sales, for instance, remained flat in volume terms in the United Kingdom in the year to March 31 but a one-fifth rise in export volume left total knitwear demand up by 14 per cent.

So far this year—and Dawson takes orders for delivery months later—knitwear sales are showing similar growth.

Last year's increase in pretax profits from £16.3m to £18.2m included a full year against three months from Haggas. Ignoring Haggas, profits would have fallen slightly.

But then the rise in sterling lopped about £2m from profits, of which maybe a third related to overseas balance sheet items. In any event, the results were good for a company involved in textiles.

And Haggas, which roughly maintained profits, has done far better than its Yorkshire counterparts in worsted spinning although fake fur fabric must take some of the credit for this.

Although the recession in textiles looks set to continue for some while yet, there are reasons why the disasters of 1970-71 and 1974-75 at Dawson should not recur; not least stable raw material prices and £21m net liquid funds in the balance sheet.

Stocks did rise sharply—by 65m to £32m—in 1979-80 but the withdrawal from wool merchandising will ease working capital pressures and Dawson has recently closed or sold some of its more unsatisfactory operations employing about 480 worldwide.

Dawson has spent £4m on updating machinery, enlarging fur fabric capacity and expanding luxury knitwear where it has a 60 per cent market share. The group is talking confidently about acquisitions in the months ahead and Dawson will also be trying to lift Haggas's exports from a tenth sales to near the 50 per cent achieved by the rest of the group.

All of which suggests that the shares at 107p—up 6p yesterday—are taking too gloomy a view of prospects. The yield is 10 per cent after the 5 per cent dividend rise and the fully taxed, fully diluted p/e of 7 is leaving nothing to chance.

this, a big ceramic-making and kiln-dyeing town. The more salubrious of the two lived in Grenoble, but came from Avignon and so spoke glowingly of Chateau-neuf du Pope and Gignodas.

There are only a limited number of hours in the day in which people can work creatively. Given this tedious truism, an outsider might suppose that those in charge of an organisation like the British National Oil Corporation should be encouraged to devote those hours substantially, if not exclusively, to conducting and planning the affairs of the corporation to the best of their ability.

On the other side, it might be expected that the Secretary of State for Energy and his hard pressed officials would concentrate their finite talents on the important problems of British energy policy, like the future of nuclear power, or the continuing problems of the coal industry and electricity generation.

To such an outsider it might, therefore, seem surprising to learn that in the past year so much time has been spent by both groups on an issue that seemed to be causing no particular problem, namely the future of the BNOC.

All the available evidence points to the fact that the BNOC works perfectly well in its own terms and as an actual (or potential) instrument of government oil policy. The modifications to the way in which the corporation operates that were introduced when the

present Government came to office seem to have had the effect of removing most, if not all, of the irritants to the rest of the oil industry. There is very little evidence of any pressure for a big change in present arrangements for the operation of the BNOC from any quarter, except from within important parts of the Government itself.

The Prime Minister and her Secretary of State for Industry seem to take the view that it is doctrinally offensive for a state owned commercial body to exist, unless on the basis of some overriding reason of national interest, as in the case of say, Rolls-Royce, which would be bankrupt if not underwritten by the Exchequer.

The result has been a year during which large numbers of highly paid and talented people have been involved in a protracted, tiring and pointless bout of siege warfare. BNOC has been engaged in a defensive fight to save its bastion from being undermined in the way that has befallen the National Enterprise Board.

On the ramparts and in the breaches, the fortunes of the defenders have swung this way and that. It may be too early to say that the assault has definitely failed, but it looks increasingly as if the Government will decide to be content with the very limited degree of "privatization" that the BNOC itself

There is a strong possibility that the western world may be drifting into the thing which its leaders had most hoped to avoid—a severe recession in all the major countries at the same time.

The American recession, which has been long delayed, has arrived with a vengeance. In Europe, there have been fragmentary signs within the past two months that the down turn in output has begun here more sharply than anyone anticipated.

It was not expected to be like this and there is still a real chance that the worst will not happen. But the easy consensus at the end of 1979—that while America would have to go through a very difficult year in 1980 the European economies would manage to avoid a recession, producing a fairly short and shallow recession for the world as a whole—is now beginning to look dangerously shaky.

The European authorities, led by West Germany, are pursuing tight policies which in most cases are designed to prevent the currencies falling too much in value against the dollar because of the inflationary consequences this would have. The result is to damp down demand at home and to slow output in Germany's trading partners.

If anything could be done to reduce the risk of getting out of control, the forthcoming world economic summit which starts in Venice next Sunday might seem the obvious place to do it. But the leaders of the seven western industrial nations (or possibly eight, if the Soviet Union, along with the president of the EEC Commission, will almost certainly not attempt to come up with any dramatic action to avert the threat of recession).

Indeed, in the detailed preparatory work which has been going on, the traditional section on employment, growth and inflation has been replaced by a section dealing solely with inflation.

The reason for this is clear. One lesson which we have all learnt from the five previous economic summits is that an informal get together of western leaders is not the place where the world's problems can be sorted out.

An example of this sort of issue is world monetary reform, which was going to be France's main contribution to the Venice meeting. Since that notion was first floated by President Giscard d'Estaing last year, we have seen it more and more cut

back in scope as developments at other meetings made it clear that the world is not yet ready for monetary reform.

Even if President d'Estaing were to launch a monetary plan in Venice, what possible response could the other western leaders make to it? All that they could do is to hand back the issue to those who really know what it is about.

That is an example of the sort of issue which all summit meetings are the wrong bodies to deal with.

Next week's Venice meeting has another limitation as a decision taking body which could, however, turn into a strength for the future. It is that the world is no longer run by the industrial western nations which are the only ones, represented there.

When the notion of economic summits was first mooted in 1975 they were seen as a forum in which the leaders of the countries who mattered could get together and work out a common policy.

What is clear is that the West cannot run its economy on its own. The recession of 1974 and 1975 was sparked off by the increase in oil prices decreed by the nations of the Organization of Petroleum Exporting Countries (Opec); the present recession and inflation will be made far more severe

Hugh Stephenson

## A dreadful waste of energy

present Government came to office seem to have had the effect of removing most, if not all, of the irritants to the rest of the oil industry. There is very little evidence of any pressure for a big change in present arrangements for the operation of the BNOC from any quarter, except from within important parts of the Government itself.

The Prime Minister and her Secretary of State for Industry seem to take the view that it is doctrinally offensive for a state owned commercial body to exist, unless on the basis of some overriding reason of national interest, as in the case of say, Rolls-Royce, which would be bankrupt if not underwritten by the Exchequer.

The result has been a year during which large numbers of highly paid and talented people have been involved in a protracted, tiring and pointless bout of siege warfare. BNOC has been engaged in a defensive fight to save its bastion from being undermined in the way that has befallen the National Enterprise Board.

On the ramparts and in the breaches, the fortunes of the defenders have swung this way and that. It may be too early to say that the assault has definitely failed, but it looks increasingly as if the Government will decide to be content with the very limited degree of "privatization" that the BNOC itself

was in fact offering, namely the issue of the so-called North Sea granny bonds to the public, leaving the essential structure of the BNOC intact.

If that is the case it will be a triumph for the view that things come out all right in the end. For almost every premise on which the Government based its assault on the BNOC fails to stand serious examination.

Indeed it has been difficult at times to suppress the view that the main motive for forcing a "hiving off" of part or all of the BNOC was precisely because it was proving obstinately difficult to find any other substantial part of the public sector where it could be done and that Mr Howell wished to earn Thatcherite spurs at the end of the fight.

Thus, for example, while there are clearly economic and industrial difficulties of a serious kind with giant state monopolies and near-monopolies, like the Post Office or the British Steel Corporation, similar arguments do not apply to BNOC. It accounts for only about 10 per cent of the North Sea. In most of its operations it is in partnership with private sector companies, better placed to insist that it should be efficient in its operations than ministers and civil servants are, or shareholders would be.

As the 1973-74 oil crisis demon-

strated, the national interest and the interest even of a British-based oil company by no means always coincide. The fact that the BNOC trading operation is in public ownership provides the Government with the only tool of oil policy available to it, short of a situation in which it was prepared to take emergency powers and impose directions.

The realization that the trading arm was important led to the proposal that the BNOC might be divided, with the other aspects of its activities being the vehicles for the injection of private equity capital. But, even here, there must be a strong argument for having organization like the BNOC which is totally committed to finding oil in British territorial waters.

For the moment the whole of the world's oil industry is giving the North Sea top priority, because of its quality and the friendly fiscal and political regime behind it. But this may not always be the case.

Above all, however, as the world oil scene becomes more complicated and less stable, it must make sense to have an additional horse to SP and Shell in the race. There are not so many big businesses in this country that are working well that we can afford the luxury of messing about fundamentally with one that is for prey doctrinal reasons.

tion than any policy measures. Indeed, the United Kingdom is cutting back on its energy conservation programme as part of its reductions in public spending.

The Opec surplus this year will be very large; and there is no realistic prospect of it coming down dramatically in the foreseeable future except as a result of western recession.

We are now trapped in a new economic environment in which only slow growth and unemployment look likely to bring about real downward pressure on energy prices; and in which the Opec countries will be able to push the oil price up at the first sign of a western recovery.

In the long run it makes little sense to lecture Opec nations on the need for price restraint. Why should they subsidize us?

The only way to come to terms with the huge problems facing the world economic order is to bring the main Opec nations into the decision making process, along with the developing nations and possibly even the eastern block.

The developing world has a need for long-term capital to finance its development over the years ahead and to cover its immediate payments problems. The Opec countries need to diversify their assets out of American banks and property. And the West needs to find new markets for its technology. These are the problems which need to be solved, but they can only be solved by bringing in all the countries involved.

The Venice meeting is often billed as a world economic summit. It is in fact nothing of the sort; it is just a caucus of western leaders. Only if those leaders show some serious interest in starting a dialogue with the rest of the world can the prospects of a long-term recovery from the immediate gloom be improved.

attempts to mollify the Opec countries. These have taken the form of half-hearted schemes to guarantee the value of the assets which the large surplus earners have built up, coupled with promises that the West would cut back on its energy use.

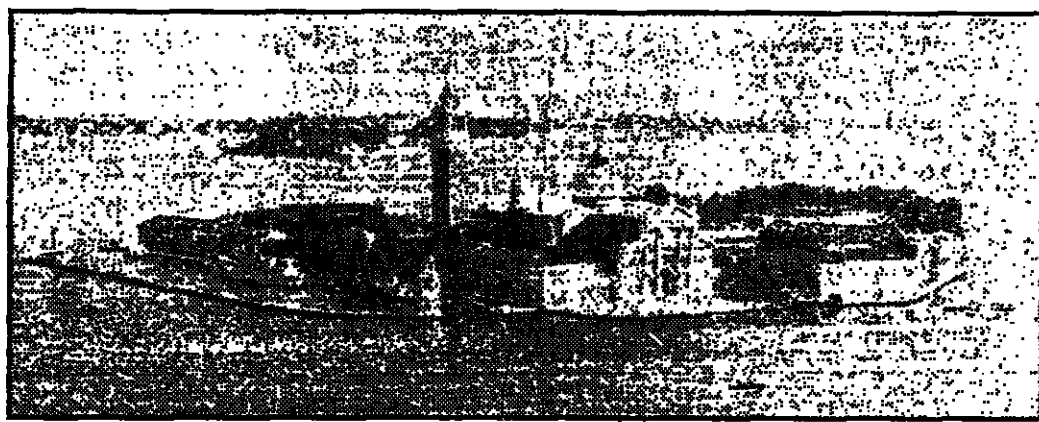
None of these promises has meant anything. The International Monetary Fund's substitution account, which was designed to give the Opec countries (and others too) an orderly way out of the dollar has fallen by the wayside. Recession has been a far more potent weapon for reducing energy consump-

because of the latest increase in oil prices.

The western financial system is coming under increasing strain because of the problems of recycling the huge surpluses which the Opec countries build up; and looming over any recovery is the threat of some new blow in the form of a cut-back in supplies of the sort caused by the events in Iran.

For much of the past five years the West has just hoped that Opec will go away, as Milton Friedman promised it would if oil prices were to rise as high as \$10 a barrel. At other times there have been

## This time the West—next time the world?



Leaders of seven major industrial nations meet on San Giorgio island, Venice (above) next Sunday for the latest round of talks on the world economy. David Blake reports

### 1980, M.P. No. 484 IN THE SUPREME COURT OF HONG KONG MISCELLANEOUS PROCEEDINGS

IN THE MATTER of American International Assurance Company, Limited

— and —  
IN THE MATTER of the Companies Ordinance (Chapter 32)

NOTICE IS HEREBY GIVEN that, by an Order dated 5th June, 1980 made in the above matters, the Court has directed a Meeting to be convened of the holders of the shares of US\$5 each in the capital of the above-mentioned American International Assurance Company, Limited (hereinafter called "the Company") other than those owned beneficially by American International Reinsurance Company, Limited for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its shares other than those which are beneficially owned as aforesaid and that such Meeting will be held at The AIA Building, 20th Floor, No. 1, Simsb Road, Hong Kong on Wednesday, 9th July, 1980 at 12 noon at which place and time all such shareholders are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of a composite document containing the said Scheme of Arrangement and an Explanatory Statement together, with forms of proxy at the registered office of the Company, at No. 1 Stubbs Road, Hong Kong, or at the office of the under-mentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Sunday or public holiday) prior to the day appointed for the said Meeting.

The said shareholders may vote in person at the said Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead.

It is requested that forms appointing proxies be lodged with the Secretary at the registered office of the Company, at No. 1 Stubbs Road, Hong Kong, not less than 48 hours before the time appointed for the said Meeting, but if forms are not so lodged they must be handed to the Chairman at the said Meeting.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

By the said Order the Court has appointed Linden Edward Johnson or, failing him, Edward William Tilling to act as Chairman of the said Meeting and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 5th day of June, 1980.

STEPHENSON HARWOOD & LO  
Swire House, 10th Floor,  
Chater Road, Central,  
HONG KONG.

Solicitors for the Company

Ross Davies

## Business Diary: Postcard from Japan

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upon the Tokyo-Kyoto train, the 120 mph bullet train, was as good a way of seeing Japan old and

posite me in the Green class coach, a gauzy shimmering over his robes, was a Buddhist here he sat in a Buddhistic, framed by a through which on the outside was taking tableau vivant of the commercial Japan.

a group of 40 or so men and a few ladies in dress were apparently in a bowing marathon. My companion, said, "young tycoon-type and, ant, raven-haired heavily beautiful lady—who I could see over the shoulder, were evidently; the rest.

I was struggling to assimilate this fact, a restaurant walked two European men, who from their English suits and Gallic struts I took to be French.

They sat down, ordered dinner and to my mounting glee, a bottle of Chateau Mercian (another Mercian). In vain did I wait for them to be struck shrewdly as they tasted the wine, and after a decent interval, I introduced myself and sought their opinion of "the Bordeaux of Japan". They were both declined to company men, who were up to in

for noney as I am. I did not ask because I was more into to qualitative. Whatever it was, it looked like our man would do it superbly well.

"Is this how you say good-bye to your superior in Britain?" asked my companion. For a moment I did not answer, lost in reverie at the effect on commuters at Waterloo of seeing 40-odd Times journalists bowing out a superior. "Er, not quite...", I began.

My Chateau Mercian reminded me not of the slopes of Bordeaux but of the slopes of Cyprus, or indeed of the Gray's Inn Road. In both of which places I have come to know the Cyprus reds. Orhelle in particular, so heavy in rammen and in the power to incline one to stay away from the office that afternoon.

At this point, however, my Frenchman turned from wine and to a passion for strong government and Mrs Thatcher, both of which I was grateful to be missing for a few weeks. Thus, as they say in the trade, I made an excuse and left. "Mis en bouteille dans nos caves à Yamashita", indeed.

Suzuka Two questions of mine made Tokinori Soga laugh when I called at the Honda plant here, west of Tokyo. One was "How many hours do you work?" and the other "What discount do you have on staff who buy a car from the company?"

To the first, Soga, the production manager, replied: "When things are going well, I can relax", and to the second "Just a little". From this I deduce that he has not relaxed much for a while, particularly since Suzuki, the firm's biggest factory, has just completed retooling its No 2 production line to up production of Civic cars by a quarter to 1,000 a day making a total of 2,200 a day by the end of the year.

On discount I take this to mean that they can sell every car they make in the open market. Honda, which started later than the two big boys, Toyota and Nissan (Datsun), had to head for the export market, and sells about two thirds of production abroad.

With figures like this (a car made every 43 seconds) Honda does not have to go in for niceties—they met me at the station with a Toyota cab.

A third thing that made Soga smile that day: an exhibition in the foyer of trophies and Honda motor bikes. It represented a win the previous day on the Honda's Suzuka race track for the works team, who beat Yamaha employees on Yamaha bikes.

Kyoto I don't know whether it was a case of drinking too much Chateau Earthquake or not enough, but the fact is that in wandering around Kyoto I became afflicted by a constant

twittering and cuckoo-ings in the ears.

Even late at night in the busier thoroughfares I could hear these blasted birds, and for a time I was reluctant to ask about them in case they were a figment of my own disorientation.

The sounds, I established, were there and could be heard by others than me. They in fact emanated from a road safety device for the blind. When a blind person approaches a street crossing from the pavement on either side, the machine that flashes lights for the sighted, sends out one kind of birdsong for the blind. By the time the blind person reaches the other side, a second kind of birdsong is being beamed, upwards towards the crossing to signal journey's end.

On leaving Kyoto, I stopped at Nara, a town full of temples (and Sharp Electronics) about 30 miles to the south. There I thought reason and I had finally parted company, when on walking out of Kintetsu Nara railway station, I could have sworn I saw a red deer delicately picking its way through the traffic on a zebra crossing.

I had. My God, I thought, they have even got the deer organized here. The sagacious animal, it turned out, had escaped from the city park. I still would not believe it, had I not taken a fuzzy snapshot of the incident.

Ross Davies



## FINANCIAL NEWS

## Stock markets

## Trade figures send prices racing ahead

As expected, the new account got off to a roaring start yesterday bolstered by an encouraging set of May trade figures. Equities as a whole enjoyed one of their best trading sessions in several weeks, as hopes of a cut in minimum lending rate during the summer months again took on a more realistic look. Prices raced ahead from the start as buyers, accompanied by strong institutional support, tried to take advantage of the buoyant conditions.

Only the jobbers still short of stock continued to show some hesitation, as some of the old hands talked about a burst in the bubble within the next day or two. But investors were in no mood for feeling sorry for jobbers caught on the hop, and only paused for breath just ahead of the trade figures, when some nervousness began to creep in.

But afterwards, prices again roared off. The F.T. Index, which had been hovering around 457.6, finally closed at 467.6. This was the biggest single rise since January 16 when the index leapt 13.8 on a renewal of institutional buying and the index's highest level since February 23, when it stood at 469.1.

This latest surge in institutional enthusiasm was also enjoyed by government securities which made some amazing headway. This was best pinpointed by the exhaustion of the new medium "top" Exchequer 13½ per cent 1994. The government broker was reported to have sold the remaining stock, amounting to just under £500m, shortly after dealings began at 10 am with the price jumping 1½ to £211.

As a result, the scene was set for another hectic session. Buyers rushed in, along with a

late influx of foreign investors attracted by the high rates of interest. In long dealers reported heavy demand, only pausing for breath ahead of the trade figures, but resuming the pace in after-hours when prices gained another ½ to £1. By the close roses of between £1½ to £1½ were seen.

At the shorter end of the market the activity was a little less boisterous, with trading making a more cautious line. But in the end gains of between £1½ to £1½ were in evidence. Despite the firm conditions, industrial leaders suffered a fairly quiet time with jobbers marking up prices, mostly through a stock shortage. However, Far Eastern buyers treated the market to another lively session in Dunlop. They bought about 3m shares as the price rose 3p to 79p, helped by weekend comment.

Elsewhere, ICI improved 8p to 386p along with Glaxo 6p to 224p, Unilever 7p to 450p, Fisons 8p to 267p, Hawker Siddeley 8p to 202p and BAT's 5p to 263p. Bowater attracted support up 10p to 181p while small gains of between 2p to

3p were seen in Beecham at 138p and Courtauld at 70p. Further consideration of last week's figures added 22p to Pilkington Bros at 228p. In oils, the return of institutional support turned most eyes to the majors with strong support for BP up 10p to 380p, while Shell at 410p and Ultramar at 380p put on 8p apiece.

Second liners had a mixed session in strong two-way business, with speculators still retaining interest. Candecca was

Mr Eric Morley, once of Mecca and now heading the much changed Belhaven Breweries, is thought to be watching another set of figures. Word is that he could well approach Thorn-EMI for EMIs' bingo interests. The enlarged industrial giant's shares were 10p better yesterday at 292p while Belhaven remained steady at 30p.

The big talking point, following its £5.7m cash call to shareholders, which followed hard on the heels of last week's similar request from its partner Carless Capel. Despite the recent

influx of rights issues, speculators were undeterred and pushed the price 20p higher at 180p with Carless adding 2p to 135p.

Further talk of a promising find on the thistle field helped Burnham to a 5p rise at 228p, with Tricor adding another 6p to 380p. Profit-taking lopped 15p from Berkeley Exploration at 215p, following heavy new-time business last week and ahead of the drilling report.

Weekend comment provided a boost for stocks including Newstart, up 3p to 252p. Associated News 3p to 311p, Powell Duffryn up 8p to 186p and Silcock up 17p to 200p. Speculative buying also helped Poly Peak 14p to 85p, Roper 8p to 81p, Barrow Milling 6p to 45p and Portals 24p to 340p. But nervous selling wiped 11p from What Mill at 33p, with Unicorn Industries losing 1p to 116p after profit taking, and Sidlaw shedding 9p to 97p on recent figures.

Among companies reporting, MK Electric hardened 12p to 187p following full-year results and a boardroom reshuffle. Favourable reports

also helped Chamberlain Phipps 41p to 371p, Ferguson ind. 6p to 94p and WGI 20p to 110p. But the opposite was the story for Lesney 2p to 15p.

National Carbide 2p to 140p and Norwest 10p to 115p. In electrical and engineering, Vesper surged 22p to 160p, benefiting from the latest round of compensation rumours, while active buying lifted Thorn-EMI 12p to 254p. GEC was another strong market climber 12p to 385p, along with Rascal 10p to 264p. But adverse comment on profits hit Rank Org 2p to 196p.

Banks returned to favour ahead of the dividend season, with Barclays closing at 395p, Nat West at 378p, both gained 14p. Lloyds improved 6p to 531p, and Hambros jumped 31p following doubled profits and dividend.

Equity turnover on June 13 was £132.279m (17.256 bargains). Active stocks yesterday, according to the Exchange Telegraph, were: GEC, BP, Burnham, Shell, RTZ, ICI, Barclays Bank, National Westminster Bank, Danks & Gower, Marks & Spencer, Unilever, and Allied Breweries.

## 'Insider laws will not inhibit directors'

Mr Reginald Eyre yesterday dismissed the notion that the Government's new laws to combat insider dealing would inhibit directors from holding shares in their own companies.

Speaking at the Institute of Directors' company law conference in London, the Under Secretary of State for Trade said: "Any fears expressed by honest businessmen about the insider dealing sections of the Companies Act 1980 are misplaced."

"I believe that the provisions as they have been enacted contain very considerable safeguards and limitations which will protect honest directors and employees and which will not inhibit them from holding shares in companies with which they are connected."

However, Mr Eyre said that he believed the new provisions, which came into force on June 23, "will operate against those who attempt to make thoroughly improper profit out of inside information."

## MK Electric chief resigns on eve of results

Mr Gordon Hazard, group managing director of MK Electric Holdings, has resigned his post and left the board the night before the publication of the group's final results.

Mr Hazard's resignation, which took the City by surprise, was said to be for personal reasons, but yesterday he explained that it had resulted from a divergence of views on the timing of the group's internationalization and diversification plans.

"I wanted to move faster in European markets than some of the other board members considered prudent," he said. He stressed that the disagreements had arisen gradually over several issues and that the timing of the departure was a matter of administrative convenience rather than linked with the figures.

Mr Hazard, who is 55, added that he had reached an amicable financial agreement with the group although it was not a "golden handshake". MK Electric's board structure, which left Mr Hazard as sole executive director of the holding company, has been criticised in the past and board members were yesterday.

They are Mr Mich, managing director, Mr Roger, managing director of Mr Eric Race, group controller.

Mr David Robin, chairman, said he has the previous structure to run the group retrospectively thought have made a mistake.

MKs 16 per cent downward to 57.15m to March 29 was a respite in high interest rates, reduced activity in the steel industry. The response by wholesalers led to the group's working from January due to end on July 7.

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More gloom emerged yesterday from the engineering sector with the news that West Midlands boilermaker and steel processor Danks Gower will make a loss in the fifteen months to June 30.

The group, which extended its financial year because of the steel strike, has had to slim its engineering operations because of falling demand.

Meanwhile process tractor Simon Engineering that order prospects United Kingdom company deteriorating. Howe Harry Harrison, chair at the annual meeting, says companies will be strong and strive to maintain a growth record in 1980.

On this basis, the two banks will renounce in equal proportions 1.92m new shares in favour of accepting shareholdings. Each bank will then hold 39.26 per cent of the share capital of Lloyds and Scottish.

Norwest Holst brings in £2m loss. A pre-tax profit of £5.1m was turned into a loss of £2.7m at Norwest Holst in the year to March 31. This is in line with the group's estimate made in March, when the bid, which later proved successful, from Dunham Mount Holdings was launched.

The net loss came in a turnover of £117.9m. There is no dividend against 5.4p. The board explains the loss was arrived at after taking into account losses totalling £5.9m from the group's Marshall-Andrews (Holdings subsidiary).

Lloyds and Scottish acceptance: S. G. Warburg's offer of 2.3m new ordinary shares in Lloyds and Scottish at 126p per share.

Chamberlain Phipps up 7pc to £4.1m. By Peter Wilson-Smith. A four-fifths increase in interest payable to £877,000 trimmed Chamberlain Phipps' 15 per cent rise in trading profits to an increase of 7 per cent at the pre-tax level to give profits of £4.15m. Turnover rose from £59.4m to £67.5m and the total dividend was raised by 9 per cent to 4.43p gross.

Mr William Chamberlain, the chairman, says that in the current year the group's diversity of interests and flexibility will allow it "to perform effectively in spite of the current economic difficulties".

The shares rose 4½p yesterday to 37½p when they yielded 11.3 per cent and sell on 2.8 years' stated earnings. The highlight of the year was a 64 per cent rise in pre-interest profits to £1.6m from the automotive components division.

However, 42 per cent of group sales are to the depressed United Kingdom footwear manufacturers and while the shoe components division benefited from the trend towards lightweight shoes, the moulding division suffered both from the recession and from retailer destocking.

Exports rose by over a quarter to £11.5m and the overseas companies, with sales of £7.5m, traded well despite incurring the costs of setting up a factory in the United States to make soles.

Listing for Union Carbide. Dealing shares in London today in the shares of American giant Union Carbide. The company is usually associated with chemicals and plastics, but it also has important interests world-wide in gases, metals and carbons, electrodes and batteries, and is even in herbicides and antifreeze.

It is busy shedding some of its interests to develop its more promising technologies. And it is forecasting a drop from its 1979 \$10.2 earnings a share this year as the United States recession deepens.

Union Carbide is already listed in five European exchanges, and adds Frankfurt to that list today. Listings on Continental exchanges is free. A London listing costs roughly £11,500 before publicity expenditure. Union Carbide has been discussing the idea for about a year.

Business appointments. Mr M. J. Nightingale & Co. Limited. 27/28 Lovat Lane London EC3R 8EB Telephone 01-621 12 The Over-the-Counter Market

| 1979/80 High | Low | Current               | Price | Ch'ge | Div  | Yld  | P |
|--------------|-----|-----------------------|-------|-------|------|------|---|
| 99           | 59  | Airsprung Group       | 65    | -     | 6.7  | 10.3 |   |
| 50           | 26  | Armstrong & Rhodes    | 30    | -     | 3.8  | 12.7 |   |
| 283          | 185 | Bardon Hill           | 278   | -     | 13.8 | 5.0  |   |
| 100          | 78  | County Cars Prof      | 78    | -     | 15.3 | 19.6 |   |
| 101          | 63  | Deborah Ord           | 92    | -     | 5.0  | 5.4  | 1 |
| 125          | 88  | Frank Horsell         | 117   | -     | 7.9  | 6.7  |   |
| 129          | 90  | Frederick Parker      | 100   | -     | 12.8 | 14.2 |   |
| 156          | 102 | George Blair          | 106   | -     | 16.2 | 16.2 |   |
| 76           | 45  | Jackson Group         | 76    | +1    | 6.0  | 7.9  |   |
| 153          | 103 | James Burrough        | 104   | -     | 7.2  | 6.9  |   |
| 300          | 242 | Robert Jenkins        | 300   | -     | 31.3 | 10.4 |   |
| 232          | 175 | Torday Limited        | 220   | +1    | 15.1 | 6.9  |   |
| 34           | 11  | Twinklond Ord         | 154   | -     | 0.8  | 5.5  |   |
| 80           | 70  | Twinklond 12          | 76    | -     | 12.0 | 15.8 |   |
| 56           | 23  | Uniflick Holdings     | 50    | -     | 2.6  | 3.2  | 1 |
| 50           | 45  | Uniflick Holdings New | 46    | -     | 4.4  | 4.6  |   |
| 99           | 42  | Walter Alexander      | 99    | -     | 4.4  | 4.6  |   |
| 214          | 136 | W. S. Yeates          | 214   | -     | 12.1 | 5.7  |   |

\* Accounts prepared under provision of SSAP15.

## Briefly

Merger cleared: Charterhouse Group proposed merger with Keyser Ullmann Holdings not being referred to Monopolies Commission.

Northchart Investments: Turnover of this Zimbabwe group was £269,000. Profit £106,000. Earnings a share, 5.7p (3.6p).

Allied Plant Group: Mr Michael Heathcote, chairman, told shareholders trading in all group divisions was at a high level in first six months of year. He is confident that rising trend in earnings and assets per share can be maintained.

Woodworth: First of a new chain of furniture "superstores" is being opened this Thursday, in Southampton. Called Furnishing World, new store is the first of ten which are expected to be opened in first year of operation. Sheffield Refreshment Houses has agreed the sale of its management and a Keenwood Restaurant for £170,000 cash. Money will help to reduce bank borrowings. Material benefits will accrue from 1981-82 onwards.

Keyser Ullmann: Greycourt Grant and Co, a subsidiary of Charterhouse Group, on behalf of a discretionary investment client sold 2,500 Keyser Ullmann Holdings shares on June 13. On June 12 on behalf of Charterhouse Japan—account client—bought 50 Charterhouse Group shares at 34p.

Edinburgh General Insurance Services: London Trust now holds 520,000 shares (9.2 per cent). Willey Lamp: Turnover for six months to December 31 £1,041m (1982, 900). Loss per share 1.68p (earnings 0.27p). Again no interim dividend. The company has been changed to September 30. Next accounts will be for 15 months to September 30.

Heavitts Brewery: Interim half at 56p. Turnover £1,282m. Pre-tax profit £225,000 (£208,000).

Baring Brothers has formed a wholly-owned subsidiary, Baring International Management & Research, to provide investment management services, principally for clients based in United States. Chubb and Son's Kuwait Investment Office has acquired an interest in 400,000 ordinary shares of Canadian Imperial Bank of Commerce. Arrangements have been completed for issue by Canadian Imperial Bank of Commerce of Can\$50m five-year debentures with an annual interest coupon of 11 per cent at a price of par.

## UK TRADE

The following are the June trade figures seasonally adjusted and corrected on a balance of payments basis, for known recording errors.

|          | £m   | Imports | Exports | Balance |
|----------|------|---------|---------|---------|
| 1979 Q3  | -493 | 10841   | 11134   |         |
| Q4       | -748 | 11017   | 11762   |         |
| 1980 Q1  | -723 | 11017   | 12251   |         |
| 1979 Dec | -252 | 3773    | 4025    |         |
| 1980 Jan | -315 | 3878    | 4191    |         |
| Feb      | -232 | 4122    | 4354    |         |
| March    | -176 | 3834    | 4010    |         |
| April    | -284 | 3885    | 4149    |         |
| May      | -18  | 3873    | 3991    |         |

The following are the unit volume index numbers for visible trade, seasonally adjusted, and the terms of trade index, non-seasonally adjusted, issued yesterday by the Department of Trade.

|          | (1975=100)    | Term no |
|----------|---------------|---------|
| 1978     | Export volume | 104.6   |
| 1978     | Import volume | 105.9   |
| 1978     | 125.9         | 105.9   |
| 1978 Q1  | 120.1         | 113.6   |
| Q2       | 121.0         | 109.1   |
| Q3       | 122.5         | 115.0   |
| Q4       | 122.5         | 112.9   |
| 1979 Q1  | 109.0         | 116.9   |
| Q2       | 135.3         | 128.9   |
| Q3       | 129.8         | 129.1   |
| Q4       | 129.3         | 128.9   |
| 1980 Q1  | 131.3         | 128.9   |
| 1979 Dec | 131.3         | 131.2   |
| 1980 Jan | 129.8         | 128.0   |
| Feb      | 136.5         | 126.9   |
| March    | 127.7         | 127.7   |
| April    | 127.2         | 126.6   |
| May      | 130.2         | 121.4   |

## Union opposes plan for company names

A Government move to have off the Register of Business Names from the services offered by the Registrar of Companies met with opposition yesterday.

A meeting of interested parties to discuss handing the Register over to private interests has been called for June 19, according to a statement from the Society of Civil and Public Servants, which opposes the move.

The union, which represents 105,000 civil servants, believes that having off will mean a considerable reduction in consumer protection and could lead to the creation of a "protection racket".

Other users of Companies House have said the reduction in services will "provide a rogues charter for fly-by-night businesses".

Since 1948 the Registrar of Companies has individually

vetted every proposed company name to ensure that it is not misleading, nor too similar to an existing name.

The Secretary of State for Trade issued a consultative document on April 8 in which he sought comments about the proposed abolition of the Register of Business Names. Mr Mike King, assistant secretary of the SCPS, said: "The Department are clearly pre-judging the results of consultations which are not due to be completed until the end of June."

The establishment of a private sector RBN would leave private company organisations in the hands of those who have vested interests, and could be construed as the setting up of a protection racket whereby the private sector will be in control of consumer protection," he said. "This is a direct abrogation of Government responsibility," he added.

## First day of trading on Potato Futures market

After a good first day of trading on the new London potato futures market, there should be no trouble in filling the remaining two trading seats. The Association's joint secretary, Mr Bill Englebright, said yesterday. A major trading house is understood to have applied for one of the seats.

A total of 127 lots was traded although a brisk business in the morning, the afternoon saw some selling. Each lot is 40 tonnes. Market sources feel that this volume is likely to be maintained for a few days.

Prices, however, closed a little lower than expected. November delivery potatoes opened at £52 and ended the day at £49.40. February's contract fell

from £57 to £53.80, and April delivery slipped £2.50 to £57.50.

Market sources said the market is 16 currently accredited full traders were acting for the morning. The Association's joint secretary, Mr Bill Englebright, said yesterday. A major trading house is understood to have applied for one of the seats.

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## Atlantic Richfield buys Oxirane

From Anthony Hilton, New York

The \$270m purchase of Oxirane, a petrochemical company, by oil giant Atlantic Richfield (Arco) has significant long-term implications for the industry, according to Wall Street analysts.

Oxirane, founded as a joint venture in 1966 between Arco and the chemical specialist chemical company Hale International, is a leading producer of propylene oxide, a key ingredient of polyurethane foam. This has long been used for

## International

packaging and insulation, but recently has become popular in the weight conscious car industry as an alternative to metal bumpers.

Oxirane, whose annual sales revenue is thought to approach \$1,000m, has several plants, including two in Europe—in Spain and The Netherlands—and one in Japan. This will

boost Arco's revenue from its chemical division to \$3,000m this year.

The company declined to say what the profits were, nor how much debt Oxirane carries. It is believed, however, that profits have suffered recently because of oil price increases.

Though both parties say the joint arrangement has worked well, the projected capital needs of Oxirane were causing Halcon increasing concern, as to meet them in full would have deprived it of capital for other parts of its business.

NCC's new American subsidiary, NCC Energy Inc, has already entered into a joint venture with Mercury Exploration of Fort Worth, Texas, to acquire land and drilling equipment and begin an exploratory programme in August. NCC is committed to invest the equivalent of £1.4m.

In the United Kingdom, Mr Lacey says the carbonising division had a particularly profitable year and increased sales by 20 per cent, although "much work remains to be done to achieve profitability" of the tungsten mine. Group sales improved by 2 per cent to £36.6m.

NCC's net assets value increased during the year to the end of March from 84p to 167p and the group estimates that they now stand at 205p.

The group's biggest asset is its stake in the Bermuda-based Wechs Petroleum Company, where under a pooling arrangement NCC has 25 per cent—and the 29.9 per cent stake in Hampton Gold Mining Areas, which it bought in March.

AEG will appoint two members to the supervisory board and will participate in joint product planning with Ontel, with particular attention to European needs, AEG said.

AEG-Telafon has paid \$3.5m to acquire a 10 per cent interest in Ontel, a United States computer firm.

Subscriptions will start from August 12 and continue to August 14, with payment to be made on August 25.

The issue price of new 50-year-old shares will be decided by early August, depending on the then stock market price.

## Marubeni offering

Marubeni Corp plans to offer 30m shares of new capital stock through public subscription in Tokyo at the current market price in August.

Subscriptions will start from August 12 and continue to August 14, with payment to be made on August 25.

The issue price of new 50-year-old shares will be decided by early August, depending on the then stock market price.

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## Godfrey Davis 16pc ahead

Godfrey Davis, the car hire and Ford main dealer group, has improved pre-tax profits by 16 per cent to £2.5m, while turnover rose by 27 per cent to £112m.

Last week the proposed £17m acquisition of the group's short-term car rental business by Europcar, a Renault subsidiary, was referred to the Monopolies Commission. At the time of the group's suspension before the announcement the shares stood at 166p. Yesterday they dipped 10p to 143p.

Under to proposed reorganization, the profit is split with £2.29m coming from the car hire and the balance from the holding company. A second interim dividend of 5p gross has been declared making 7.85p against 6.76p.

Scrutiny of lending by U.K. banks. United Kingdom-registered banks will be required from the end of this month to give details to the Bank of England of their country lending exposure, on the basis of whether the lending is to banks, the public sector, or other

entities, banking sources said. The new reporting requirement, which will operate every six months, marks the second stage of the Bank of England's plan to improve the transparency of international lending by United Kingdom-registered banks.

Leasing association is optimistic. Britain's £5,000m leasing industry is optimistic about its prospects. It expects demand for leasing to continue at a high level from companies affected by recession wishing to take advantage of investment incentives they might otherwise have had to forego. Mr Tom Clark, chairman of the Equipment Leasing Association, says in today's annual report that "the prosperity of the industry in the longer term will be closely related to the level of expenditure on plant and equipment".

Lloyds and Scottish acceptance: S. G. Warburg's offer of 2.3m new ordinary shares in Lloyds and Scottish at 126p per share.

National Carbonising plans scrip issue. By Philip Robinson. National Carbonising, which Mr Graham Ferguson Lacey plans to build into a force in the energy field and change its name to NCC Energy, yesterday raised full-year profits from £34,000 to £102,000 and proposed a one-for-one scrip issue.

But had it not sold the commercial vehicle and engineering divisions and its holding in London and Scottish Marine Oil last August, giving the group an extraordinary profit of £7.3m, the gross total dividend—up 300 per cent to 4p—would have been uncovered.

However, Mr Lacey says he plans to acquire an "income producing" company in the energy field and there should be news on that around November. Mr Lacey also announces its half-time results for the present year.

He also says it is the intention to expand NCC's interests in the United States, Canada and Australia and that Mr Michael Gaze, the deputy chairman, is in Australia looking at a number of possibilities.

NCC's new American subsidiary, NCC Energy Inc, has already entered into a joint venture with Mercury Exploration of Fort Worth, Texas, to acquire land and drilling equipment and begin an exploratory programme in August. NCC is committed to invest the equivalent of £1.4m.

In the United Kingdom, Mr Lacey says the carbonising division had a particularly profitable year and increased sales by 20 per cent, although "much work remains to be done to achieve profitability" of the tungsten mine. Group sales improved by 2 per cent to £36.6m.

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## MARKET REPORTS

## Commodities

[illegible]

## Discount market

The Bank of England was required to give a moderate amount of assistance to relieve the shortage in the discount market.

This help was channelled via purchases of a moderate number of Treasury Bills and a small quantity of corporation bills directly from the houses, together with the usual discounting of one or two houses until Wednesday.

The decision to lend until Wednesday was probably taken in view of the shortage expected to have caused mainly by the £300m resale of gilts to the market.

Houses took money at 164.16 per cent for most of the morning, but the rate firmed to 163 per cent at lunch time and stayed high.

## Foreign exchange report

The pound ended a quiet session losing 10 points at \$2,341, compared with \$2,342 overnight, having traded within narrow limits throughout. Against the Continent, however, sterling was in demand finishing 0.3 points ahead at 72.9 (73.0 overnight) after an opening fluctuation of 73.5.

Sentiment gaining a mid-session boost, following news that United Kingdom trade was back in the black with a May current-account surplus of £32 million. In initial reaction the pound pushed up to \$2,345, but eased back later on profit-taking.

The dollar staged a strong recovery, helped by higher Euro-dollar deposit rates. Against the D-mark the United States currency closed at its best Dm1.7655, Dm1.7545.

Useful gains were made elsewhere by the dollar, including Swiss francs 1.6300 (1.6100), Dutch florins 1.9350 (1.9250), and the French franc 4.1100 (4.0925).

## Wall Street

New York, June 15.—Prices on the New York Stock Exchange closed higher as the index rose 15 to 86.26 and the average price of 30 shares at the Dow Jones industrial average rose 1.36 to 877.73, its best level since February 20, when it closed at 865.55. Advances led declines 890 to 519, with gains at the Dow 1,190,000 shares from 41,880,000.

Friday.

Mr. John Smith of Fahnstock & Company said there is a "lack of useful buying" in the market. "It all goes down because there is so much money on the sidelines. With interest rates where they are total returns on stocks are negative."

Mr. Michael Metz, of Oppen-

## Sterling Spot and Forward

|            |             |             |           |           |                  |
|------------|-------------|-------------|-----------|-----------|------------------|
| New York   | June 16     | June 16     | 1 month   | 1 month   | 3 months         |
| Montreal   | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 4 1/2-5 1/2 prem |
| Amsterdam  | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Brussels   | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| London     | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Dublin     | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Frankfurt  | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Paris      | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Madrid     | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Barcelona  | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Porto      | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Stockholm  | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Copenhagen | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Helsinki   | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Oslo       | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Warsaw     | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Vienna     | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |
| Zurich     | 62.75-63.00 | 62.75-63.00 | 1.00-1.00 | 1.00-1.00 | 2 1/2-3 1/2 prem |

Effective exchange rate compared to December 21, 1971, was up 8.3% to 72.8%.

## Money Market Rates

Bank of England Minimum Lending Rate 17 1/2%  
 Last changed 15-11-74  
 Clearing Bank Base Rate 17 1/2%  
 Discount Mkt Loan 16%  
 Over-night: High 16% Low 15 1/2%  
 Week Fixed 16 1/2%  
 Treasury Bills (12 1/2%)  
 Selling  
 2 months 15 1/2% 2 months 15 1/2%  
 3 months 15 1/2% 3 months 15 1/2%

Prime Bank Bills (Discount) Trades (Discount)

# Japanese prices in decline

based in last month, and the trend is expected to continue for some time, due partly to a shortage in overseas commodity prices, the yen's sharp appreciation against the dollar, and general decline in demand, according to dealers.

They say demand for public works and other related materials was sluggish, while industrial materials also suffered a slow-down in exports due to the US recession.

In the retail sector, consumers refrained from buying in anticipation of a further drop of prices.

Steel products, non-ferrous metal and chemicals continued to decline in May, while oil and petrochemical products slipped back after a recent upswing.

Raw silk prices on the Yokohama silk market have fallen to the lowest level in two-and-half years, reflecting a slump in demand.

## Sterling: Other Markets

|              |                  |             |                 |
|--------------|------------------|-------------|-----------------|
| Australia    | 2 412 520 0075   | 41 Andorra  | 1 417 811 3835  |
| Bahrain      | 0 8401 04 0000   | Belarus     | 1 604 901 9285  |
| Finland      | 3 4765 51 5000   | Belize      | 26 220 20 47    |
| France       | 36 78 70 10 0000 | Denmark     | 5 479 645 7275  |
| Hong Kong    | 11 466 11 5265   | Germany     | 1 584 176 565   |
| Iran         | Not available    | Portugal    | 67 244 60 00    |
| Italy        | 0 67 00 00 0000  | Spain       | 96 56 58 50 00  |
| Malaysia     | 4 983 04 9930    | Italy       | 832 00 00 00 00 |
| Kuwait       | 98 75 45 50 00   | Japan       | 3 496 62 50 00  |
| Lebanon      | 2 366 25 50 00   | France      | 4 110 81 1125   |
| New Zealand  | 67 77 74 00      | Germany     | 4 893 63 3900   |
| Saudi Arabia | 4 824 04 50 00   | Japan       | 212 70 70 00    |
| Singapore    | 1 301 01 10 00   | Portugal    | 12 54 17 37     |
| South Africa |                  | Netherlands | 1 625 11 6010   |

**US commodities**  
New York, June 16. COMEX SILVER

figures closed down the 75 cent limit  
was appointed. Auctions stemming  
from the 1954-55 season were  
a convincing rally. Spot June fell 74  
cents to \$15.60 an ounce and the  
contracted for July fell 74 cents  
to \$15.55. June, 156.00; July,  
155.50-1566.00; Aug. 1567.00; Sept.  
1568.00-1569.00; Dec. 1570.00-1572.00.  
May, 1684.00; Jan. 1690.00-1685.00.  
May, 1684.00; July, 1710.00; Sept.  
1735.00; Dec. 1775.00; Jan. 1788.00.  
March, 184.00.  
GOLD.  
5592-50 an ounce, about \$12 below  
Friday's close. New York Comex.

### EMS European Currency Rates

| EMU<br>central<br>rates | currency<br>against<br>ECU | % change<br>from<br>initial<br>adjusted <sup>a</sup> | % change<br>from<br>initial <sup>b</sup> | divergence<br>limit<br>plus/minus |
|-------------------------|----------------------------|--|--|-----------------------------------|
| Belgian franc           | 36 782 <sup>c</sup>        | 46 291 <sup>c</sup>                                  | -1.16                                    | +2.23                             |
| French franc            | 12 360                     | 17 964 <sup>c</sup>                                  | +0.84                                    | 2 53                              |
| German DM               | 1 493.80                   | 1 710 100  | +1.29                                    | 1 24                              |
| Spanish peseta          | 165 200                    | 5 527 000  | +0.19                                    | 1 85                              |
| Italian lire            | 2 360                      | 3 682 000  | -0.76                                    | 1 62                              |
| Irish punt              | 7 866.24                   | 2 747 000  | -0.13                                    | 0.13                              |
| Portuguese escudo       | 6 486.24                   | 6 971 000 <sup>c</sup>                               | -0.24                                    | -0.43                             |
| Italian lira            | 1 177.29                   | 2 116.30   | -2.37                                    | 1 68                              |

<sup>a</sup> change as for the ECU therefore positive change denotes weaker currency;  
<sup>b</sup> adjusted for sterling's switch to ECU, and for the first 5 wider divergence limits.  
<sup>c</sup> Adjustment calculated to The Times.

**US commodities**  
New York, June 16. COMEX SILVER

[illegible]

|                |       |    |    |    |
|----------------|-------|----|----|----|
| Control Data   | 364   | 50 | 50 | 50 |
| Corning Glass  | 5-1/2 | 65 | 65 | 65 |
| Eastman        | 684   | 50 | 50 | 50 |
| GenCorp        | 35    | 32 | 32 | 32 |
| General Int    | 31    | 32 | 32 | 32 |
| Grain Zeller   | 45    | 44 | 44 | 44 |
| Ind            | 49    | 44 | 44 | 44 |
| Johnson        | 50    | 50 | 50 | 50 |
| Kodak          | 50    | 50 | 50 | 50 |
| McGraw-Hill    | 49    | 49 | 49 | 49 |
| NCR Corp       | 60    | 60 | 60 | 60 |
| NL Industries  | 45    | 45 | 45 | 45 |
| Nabisco        | 23    | 23 | 23 | 23 |
| Nat Distillers | 27    | 26 | 26 | 26 |
| Rockwell       | 50    | 50 | 50 | 50 |
| Xerox Corp     | 50    | 50 | 50 | 50 |
| Zenith         | 50    | 50 | 50 | 50 |

**Canadian Prices**

[illegible]

| Recent Issues          |  | Closing Price |
|------------------------|--|---------------|
| Air Call Zip 6rd (150) |  | 150           |
| Amirad Conf Elec (85)  |  | 85            |

|           |      |      |
|-----------|------|------|
| 1980-1981 | 1300 | 1300 |
| 1982-1983 | 1300 | 1300 |
| 1984-1985 | 1300 | 1300 |
| 1986-1987 | 1300 | 1300 |
| 1988-1989 | 1300 | 1300 |
| 1990-1991 | 1300 | 1300 |
| 1992-1993 | 1300 | 1300 |
| 1994-1995 | 1300 | 1300 |
| 1996-1997 | 1300 | 1300 |
| 1998-1999 | 1300 | 1300 |
| 2000-2001 | 1300 | 1300 |
| 2002-2003 | 1300 | 1300 |
| 2004-2005 | 1300 | 1300 |
| 2006-2007 | 1300 | 1300 |
| 2008-2009 | 1300 | 1300 |
| 2010-2011 | 1300 | 1300 |
| 2012-2013 | 1300 | 1300 |
| 2014-2015 | 1300 | 1300 |
| 2016-2017 | 1300 | 1300 |
| 2018-2019 | 1300 | 1300 |
| 2020-2021 | 1300 | 1300 |
| 2022-2023 | 1300 | 1300 |
| 2024-2025 | 1300 | 1300 |
| 2026-2027 | 1300 | 1300 |
| 2028-2029 | 1300 | 1300 |
| 2030-2031 | 1300 | 1300 |
| 2032-2033 | 1300 | 1300 |
| 2034-2035 | 1300 | 1300 |
| 2036-2037 | 1300 | 1300 |
| 2038-2039 | 1300 | 1300 |
| 2040-2041 | 1300 | 1300 |
| 2042-2043 | 1300 | 1300 |
| 2044-2045 | 1300 | 1300 |
| 2046-2047 | 1300 | 1300 |
| 2048-2049 | 1300 | 1300 |
| 2050-2051 | 1300 | 1300 |
| 2052-2053 | 1300 | 1300 |
| 2054-2055 | 1300 | 1300 |
| 2056-2057 | 1300 | 1300 |
| 2058-2059 | 1300 | 1300 |
| 2060-2061 | 1300 | 1300 |
| 2062-2063 | 1300 | 1300 |
| 2064-2065 | 1300 | 1300 |
| 2066-2067 | 1300 | 1300 |
| 2068-2069 | 1300 | 1300 |
| 2070-2071 | 1300 | 1300 |
| 2072-2073 | 1300 | 1300 |
| 2074-2075 | 1300 | 1300 |
| 2076-2077 | 1300 | 1300 |
| 2078-2079 | 1300 | 1300 |
| 2080-2081 | 1300 | 1300 |
| 2082-2083 | 1300 | 1300 |
| 2084-2085 | 1300 | 1300 |
| 2086-2087 | 1300 | 1300 |
| 2088-2089 | 1300 | 1300 |
| 2090-2091 | 1300 | 1300 |
| 2092-2093 | 1300 | 1300 |
| 2094-2095 | 1300 | 1300 |
| 2096-2097 | 1300 | 1300 |
| 2098-2099 | 1300 | 1300 |
| 2100-2101 | 1300 | 1300 |
| 2102-2103 | 1300 | 1300 |
| 2104-2105 | 1300 | 1300 |
| 2106-2107 | 1300 | 1300 |
| 2108-2109 | 1300 | 1300 |
| 2110-2111 | 1300 | 1300 |
| 2112-2113 | 1300 | 1300 |
| 2114-2115 | 1300 | 1300 |
| 2116-2117 | 1300 | 1300 |
| 2118-2119 | 1300 | 1300 |
| 2120-2121 | 1300 | 1300 |
| 2122-2123 | 1300 | 1300 |
| 2124-2125 | 1300 | 1300 |
| 2126-2127 | 1300 | 1300 |
| 2128-2129 | 1300 | 1300 |
| 2130-2131 | 1300 | 1300 |
| 2132-2133 | 1300 | 1300 |
| 2134-2135 | 1300 | 1300 |
| 2136-2137 | 1300 | 1300 |
| 2138-2139 | 1300 | 1300 |
| 2140-2141 | 1300 | 1300 |
| 2142-2143 | 1300 | 1300 |
| 2144-2145 | 1300 | 1300 |
| 2146-2147 | 1300 | 1300 |
| 2148-2149 | 1300 | 1300 |
| 2150-2151 | 1300 | 1300 |
| 2152-2153 | 1300 | 1300 |
| 2154-2155 | 1300 | 1300 |
| 2156-2157 | 1300 | 1300 |
| 2158-2159 | 1300 | 1300 |
| 2160-2161 | 1300 | 1300 |
| 2162-2163 | 1300 | 1300 |
| 2164-2165 | 1300 | 1300 |
| 2166-2167 | 1300 | 1300 |
| 2168-2169 | 1300 | 1300 |
| 2170-2171 | 1300 | 1300 |
| 2172-2173 | 1300 | 1300 |
| 2174-2175 | 1300 | 1300 |

## Gold Euro-\$ Deposits

12. Health: 7-9; seven days, 8 1/2-9 1/2; one month, 9 1/2-10 1/2; three months, 9 1/2-10 1/2; six months, 8 1/2-9 1/2.

November 1979, and off 0.50 to 0.21 cents in other contracts. July 71.70-71.90c; Oct. 70.80-71.00c; Dec. 70.40-70.50c; March 71.75-72.00c; May, 73.25 bid-73.50c asked; July 74.60

|   |    |
|---|----|
| bid-74.76c asked: Oct. 76.00 bid-76.40c | 32 |
| asked: Dec. 75.80 bid-76.40c asked.     | 17 |
| Cocoa futures added to midday gains     | 22 |
| to close at or near the day's highs in  | 23 |

## Authorized Units, Insurance & Offshore Funds

| 1979-80 |  |         |  | 1979-80 |  |         |  | 1979-80 |  |         |  | 1979-80 |  |         |  | 1979-80 |  |         |  |
|---------|--|---------|--|---------|--|---------|--|---------|--|---------|--|---------|--|---------|--|---------|--|---------|--|
| High    |  | Low     |  | High    |  | Low     |  | High    |  | Low     |  | High    |  | Low     |  | High    |  | Low     |  |
| Bid     |  | Offer   |  | Bid     |  | Offer   |  | Bid     |  | Offer   |  | Bid     |  | Offer   |  | Bid     |  | Offer   |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
| 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  | 1979-80 |  |
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# Stock Exchange Prices

## Strong institutional buying

ACCOUNT DAYS: Dealings Began, June 16. Dealings End, June 27. Contango Day, June 30. Settlement Day, July 7.

Forward bargains are permitted on two previous days

| 1979-80 High Low Company          |        |       | 1979-80 High Low Company |        |       | 1979-80 High Low Company |        |       | 1979-80 High Low Company |        |       |
|-----------------------------------|--------|-------|--------------------------|--------|-------|--------------------------|--------|-------|--------------------------|--------|-------|
| Price                             | Change | Yield | Price                    | Change | Yield | Price                    | Change | Yield | Price                    | Change | Yield |
| <b>BRITISH FUNDS</b>              |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>COMMERCIAL AND INDUSTRIAL</b>  |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>COMMONWEALTH AND FOREIGN</b>   |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>LOCAL AUTHORITIES</b>          |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>DOLLAR STOCKS</b>              |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>BANKS AND DISCOUNTS</b>        |        |       |                          |        |       |                          |        |       |                          |        |       |
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| <b>BREWERIES AND DISTILLERIES</b> |        |       |                          |        |       |                          |        |       |                          |        |       |
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| <b>SHIPPING</b>                   |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>MINES</b>                      |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>FINANCIAL TRUSTS</b>           |        |       |                          |        |       |                          |        |       |                          |        |       |
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| <b>INSURANCE</b>                  |        |       |                          |        |       |                          |        |       |                          |        |       |
| 1000 1000 1000                    | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  | 1000 1000 1000           | 1000   | 1000  |
| <b>INVESTMENT TRUSTS</b>          |        |       |                          |        |       |                          |        |       |                          |        |       |
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| <b>TEA</b>                        |        |       |                          |        |       |                          |        |       |                          |        |       |
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